

# National Health Expenditures, 1979

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*Outlays for health care in the nation reached \$212.2 billion in calendar year 1979—12.5 percent higher than in 1978, according to preliminary figures compiled by the Health Care Financing Administration. This estimate represented \$943 per person in the United States and was equal to 9.0 percent of the Gross National Product. This latest report in the annual series representing national health expenditures provides detailed estimates of health care spending by type of service and method of financing.*

## Overview

The nation spent an estimated \$212.2 billion for health care in 1979, an amount equal to 9.0 percent of the Gross National Product. These figures reveal the following:

- Health care expenditures amounted to \$943 per person in 1979 (Table 1). Of that amount, \$406, or 43 percent, represented public spending.
- Health spending in 1979 increased 12.5 percent from 1978 levels, up from the 11 percent change seen in 1978.
- Expenditures for health care included \$54.4 billion in premiums to private health insurance, \$60.9 in Federal payments, and \$30.5 billion in State and local government funds (Table 2).
- The bill for hospital care represented 40 percent of total health care spending in 1979 (Table 3). These expenditures increased 12.5 percent in 1979 to a level of \$85.3 billion.
- Spending for the services of physicians increased 13.4 percent to \$40.6 billion, 19 percent of all health care spending.
- All third parties combined—private health insurers, governments, philanthropy, and industry—financed 68 percent of the \$188.6 billion in personal health care in 1979 (Table 4), ranging from 92 percent of hospital care services to 64 percent of physicians' services and 39 percent of the remainder (Table 5).
- Direct payments by consumers reached \$60.0 billion in 1979 (Table 6). This represented 32 percent of all personal health care expenses.
- Outlays for health care benefits by the Medicare and Medicaid programs amounted to \$29.3 billion and \$21.7 billion respectively, combining to pay for 27 percent of all personal health care in the nation (Table 7). Benefits paid by the two programs for hospital care amounted to \$29.7 billion.

This latest compilation of the dollars spent for health care in the United States in 1979 is a continuation of the series of annual reports begun by the Social Security Administration in 1964. This series, now the responsibility of the Office of Research, Demonstrations, and Statistics of the Health Care Financing Administration, comprises the national health accounts of the United States and is the most complete and comprehensive compilation of health expenditures available.

## Expenditures, 1965-1979

In 1979, the preliminary estimate of \$212.2 billion for total national health expenditures represented 9.0 percent of the Gross National Product (GNP). This increased slightly from the 8.9 percent share estimated for 1977 and 1978.

Health care spending increased by 12.5 percent in 1979, accelerating from the 11.0 percent increase in 1978, but still in line with the longer run average of 12.2 percent annually over the period 1965 to 1979. GNP increases averaged 9.2 percent per year for the same period. This substantially greater growth rate in the health care sector compared to the rest of the economy resulted in the health care share of the GNP rising from 6.1 percent in 1965 to the 9.0 percent level seen today.

Government programs financed 43 percent of all health care—\$91.4 billion or \$406 *per capita*. This share was virtually unchanged from 1978. Government payments accelerated dramatically from 1965, with the inauguration of Medicare and Medicaid. In 1965, they financed 26 percent of the health care in the nation; by 1967, their share had grown to 37 percent. Growth has been moderate since that time.

Private spending, reaching \$537 *per capita* in 1979, increased at a slightly lower rate than public expenditures.

## REVISIONS

Some estimates published in the 1978 report have been revised in this report. Portions of some time series back to 1965 have been revised to reflect changes in some basic data sources, the interpretation made of them, and improvements in methodology.

The estimates of expenditures that comprise the National Health Expenditures (NHE) series result from analyzing a multitude of data sources which reflect spending for health care and use of health care services. Revisions to these estimates are of two types. Estimates for the most recent two years are revised routinely, as they incorporate short-term forecasts of the levels of the principal data sources described in the final section of this report. In addition, information from each of the data sources must be reconciled with other related sources before being incorporated into the NHE accounting framework. As a result of this process, or with the availability of new or more reliable information, historical series are revised.

In this year's report, estimates of expenditures by private health insurers have been revised back to 1972, to eliminate estimated duplication in benefit payments. Hospital expenditure estimates prior to 1972 have undergone minor revisions to more accurately reflect the American Hospital Association Annual Survey data when adjusted to a calendar year basis. Expenditures for drugs and eyeglasses were revised for the period 1965 through 1971. Nursing home expenditures were revised from 1973 forward. Workers compensation expenditures were revised back to 1965 to incorporate estimates of prepayment and administrative cost.

## PERSONAL HEALTH CARE

In the national health accounts, a distinction is made between national health expenditures and personal health care expenditures. NHE is the sum of personal health care expenditures, expenses for prepayment and administration of health insurance companies and government programs, government public health activities, research, and construction. The personal health care component measures spending for services to individuals, such as hospital care, services of physicians, drugs, etc.

As seen in Table A, personal health care expenses were \$188.6 billion, an amount equal to 9.8 percent of personal income in 1979. This compares with \$80 billion in 1972, which represented 8.5 percent of personal income, and reflects increases in growth similar to the relationship of national health expenditures and GNP (Table 1).

The growth in personal health care costs results from a variety of factors: population growth, changes in the utilization levels of goods and services, changes in the kinds of goods and services being used, and price inflation. Price increases are a major cause of expenditure growth. To measure inflation in the health care sector, a fixed weight price index for personal health care expenditures has been developed. (See the section on concepts and definitions for a discussion of this deflator.)

By using this index, the relative contribution of the factors affecting the increase in personal health expenditures can be determined. As shown in Table B, price inflation between 1972 and 1979 accounted for 66 percent of the increase in expenditures; population growth accounted for seven percent, and "intensity," reflecting changes in quantity and/or composition of goods and services, accounted for the remaining 28 percent. Had there been no inflation between 1972 and 1979, personal health care expenditures in 1979 would have been \$71 billion lower (see Figure 4).

## HOSPITAL CARE

Hospital care is the leading category of health spending and accounts for 40 percent of the health care dollar, as seen in Figure 2. The \$85.3 billion spent for hospital care includes all inpatient and outpatient care in public and private hospitals and all services and supplies provided by hospitals (Table 3). Expenditures for physicians' services rendered in hospitals are excluded, except for the services of those who are hospital staff.

Hospital care continues to be one of the fastest growing expenditure categories, and the one receiving considerable public attention. Spending has more than tripled since 1970, an average increase of 13.3 percent per year. Of primary concern are the community hospitals. These non-Federal, short-term, general hospitals account for \$69.8 billion, or 82 percent of all dollars spent for hospital care. The increase in expenditures for these hospitals has been averaging 14.4 percent per year since 1970. To analyze the growth in hospital expenditures, the change in the national hospital input price index (Freeland, Anderson, and Schendler, 1979) can be used. Between 1970 and 1978, 65 percent of the growth in expenditures was due to inflation. Another six percent of the increase was related to population growth, and the remaining 29 percent was the result of greater use and/or changes in the kinds and amounts of services provided.

Intensity can be measured in several ways. First, the number of inpatient days has increased eight percent since 1970 (Table C). Because the average number of days per stay has declined, it also appears that more resources per day are being used. Examples include increases in the number of laboratory tests, surgical operations, and outpatient visits. The number of hospital laboratory tests nearly doubled in six years, growing from 2.2 billion in 1972 to over 4 billion in 1977. In addition, surgical operations, which generally require more resources than medical stays, grew nearly 18 percent from 1972 to 1978. The number of outpatient visits also increased dramatically in this same period—by 24 percent. As a result, outpatient expenses represent over 12 percent of the community hospital bill. To the extent that these outpatient visits provide services that would otherwise be provided on an inpatient basis, they could have a moderating effect on overall costs. Frequently, however, they are providing services that substitute for services in a physician's office where they would be less expensive.

**TABLE A**  
**Personal Health Care Expenditures in Current and Constant Dollars: Levels, Percentage Change, and Percentage of Personal Income, 1972-79.**

Year	Levels (Millions)		Percentage Change		Percentage of Personal Income	
	Current Dollars	Constant Dollars <sup>1</sup>	Current Dollars	Constant Dollars	Current Dollars	Constant Dollars <sup>2</sup>
1972	\$80,177	\$80,177	—	—	8.5	8.5
1973	88,688	84,996	10.6	6.0	8.4	8.5
1974	101,007	88,939	13.9	4.6	8.7	9.0
1975	116,522	92,683	15.4	4.2	9.3	9.3
1976	131,276	96,049	12.7	3.6	9.5	9.2
1977	147,968	100,251	12.7	4.4	9.7	9.2
1978	166,627	104,365	12.6	4.1	9.7	9.1
1979	188,551	108,086	13.2	3.6	9.8	9.2
average			13.0	4.4		

<sup>1</sup>Constant-dollar expenditures are derived by deflating current dollar expenditures by the fixed-weight deflator for personal health care expenditures (see text).

<sup>2</sup>Constant-dollar personal income is derived by deflating current-dollar personal income with the personal consumption expenditures deflator from the national income and product accounts. (See Table 1, *Business Conditions Digest*; U.S. Department Commerce)

Sources: Health Care Financing Administration; Personal income from the Bureau of Economic Analysis, U.S. Department of Commerce.

**TABLE B**  
**Sources of Growth in Personal Health Care Expenditures, 1973-79**

Year	Percentage Change			Allocation of Growth			
	Personal Health Care Expenditures	Personal Health Care Expenditures Fixed-Weight Price Deflator	Population	Total	Prices	Population	Intensity
1973	10.6%	4.4%	0.8%	100.0%	42.7%	7.3%	50.0%
1974	13.9	8.8	0.8	100.0	65.5	6.1	28.4
1975	15.4	10.7	0.8	100.0	71.6	5.5	22.9
1976	12.7	8.7	0.9	100.0	70.4	7.0	22.6
1977	12.7	8.0	0.8	100.0	64.7	6.6	28.7
1978	12.6	8.2	0.9	100.0	67.0	7.4	25.6
1979	13.2	9.2	0.9	100.0	71.9	6.8	21.3
average	13.0	8.3	0.8	100.0	65.6	6.6	27.8

Source: Health Care Financing Administration.

The growth in patient days has not kept pace with the growth in hospital beds. As a result, average occupancy rates have declined, dropping from a high of nearly 79 percent in 1969 to 74 percent in 1978—an indication that hospitals are maintaining more unused beds, with the attendant overhead costs. These rates have implications for new construction of hospital facilities.

### PHYSICIANS SERVICES

The second largest expenditure item is physicians' services. Spending for these services accounted for 19 percent of all health care spending in 1979, or \$40.6 billion. This amount included the cost of all services and supplies provided in physicians' offices, expenditures for services by private practitioners in hospitals and other institutions, and physician-ordered diagnostic laboratory work in independent clinical laboratories. Expenditures for physicians' services have been growing at a rapid pace. In 1965 they amounted to \$8.5 billion or \$43 per person; in 1979 they had jumped to \$40.6 billion or \$180 per person. (See Figure 1.)

**TABLE C**  
**Expenditures and Utilization Measures in Community Hospitals<sup>1</sup> 1966-1978**

Year Ending September—	Total Expenditures (in billions)	Inpatient Days (in thousands)	Average Length of Stay (in days)	Occupancy Rate	Outpatient Visits (in thousands)
1966	\$10.6	214,571	7.9	76.5	106,524
1967	12.5	223,384	8.3	77.6	109,987
1968	14.6	230,715	8.4	78.2	114,097
1969	17.0	237,560	8.3	78.8	120,831
1970	19.9	241,459	8.2	78.0	133,545
1971	22.9	242,645	8.0	76.7	148,423
1972	25.8	242,297	7.9	75.4	162,668
1973	28.6	247,821	7.8	75.7	173,068
1974	32.9	255,193	7.8	75.6	188,940
1975	39.2	257,594	7.7	75.0	190,672
1976	46.2	260,742	7.7	74.6	201,247
1977	52.9	260,835	7.6	73.8	198,708
1978	59.8	262,046	7.6	73.6	201,931

Percentage Change from Preceding Year					
1967	18.1	4.1	5.1	1.4	3.2
1968	16.7	3.3	1.2	.8	3.7
1969	16.8	3.0	-1.2	.8	5.9
1970	17.2	1.6	-1.2	-1.0	10.5
1971	14.9	.5	-2.4	-1.7	11.1
1972	12.7	-.1	-1.2	-1.7	9.6
1973	10.7	2.3	-1.3	.4	6.4
1974	15.1	3.0	0	-.1	9.2
1975	19.3	.9	-1.3	-.8	.9
1976	17.7	1.2	0	-.5	5.5
1977	14.5	<sup>2</sup>	-1.3	-1.1	-1.3
1978	13.0	.7	0	-.3	1.6

<sup>1</sup>Based on data compiled by the American Hospital Association from the Annual Survey of Hospitals.

<sup>2</sup>Less than .05 percent.

A number of factors have contributed to the rapid growth in physician expenditures. The increasing number of physicians, as well as their specialization, has contributed to this growth. It has been suggested that physicians significantly influence the demand for their own services so that an increase in the supply of physicians will contribute to increased demand. Between 1965 and 1979, the number of active physicians grew from 285,000 to 422,000.

There is little doubt that increased concern over liability for malpractice has contributed to the number and complexity of diagnostic tests performed, adding to the cost of physicians' services. Finally, as third parties assume the financing of a larger share of these services, there is less "discounting" of charges for persons who are less able to pay, and greater proportionate reimbursement for services (Dyckman, 1978).

The total volume and *per capita* number of physician office visits have changed very little in recent years, but the number of services provided to patients has increased rapidly. For example, the National Center for Health Statistics' Health Interview Survey shows that total physician visits remained relatively constant from 1972, when 1,016 million visits were provided to the noninstitutional population, through 1978, when the same number of visits was provided. *Per capita* visits actually decreased over this period from 5.0 to 4.8. According to the industry, however, from 1972 to 1977, out-of-hospital laboratory tests (excluding X-rays and radiation therapy) increased from less than 900 million to over 1.5 billion—from 850 tests per 1,000 physicians visits to 1,510. The increased testing and the increase in surgery discussed earlier contributed substantially to growing intensity, and therefore to costs, of physician services. From 1972 to 1979, the number of operations has grown from 15,229,000 to 18,640,000, a compound rate of growth of 2.9 percent. When compared with a population growth of under one percent a year, this growth in surgery is considerable.

Physicians influence health spending levels to a much greater extent than is indicated by the 19 percent share of spending devoted to their services. The primary decisions in determining who will be hospitalized and the type and quantity of services that will be provided are made by physicians. The level of expenditures for prescription drugs is similarly influenced by physicians.

### **NURSING HOME CARE**

The fastest growing category of health care spending is for nursing home care. Expenditures have increased at an annual rate of 16 percent since 1970. Amounting to \$17.8 billion in 1979, this care is provided in skilled nursing facilities, intermediate care facilities, and personal care homes with provision for nursing care. The relatively small amount of nursing home type care provided in hospitals is included with expenditures for hospital care.

As with hospital care, utilization and prices seem to be the dominant forces behind growth in expenditures for nursing home care. Reflecting increased life spans and changing social patterns in family responsibility for the elderly, the number of persons in nursing homes has increased significantly (Fisher, 1980). In recent years, nursing home use, measured by days of care, has been growing about four percent annually. Input price increased of about 8.7 percent per year have also contributed to this growth. The large wage component, subject to the new minimum wage law requirements along with the relatively large food and fuel components, indicates that price increases for nursing home care will continue to be rapid in the near future.

### **DRUGS AND MEDICAL SUNDRIES**

This category accounted for eight percent of health spending (\$17.0 billion) in 1979. This figure represents prescription drugs, over-the-counter drugs, and medical sundries dispensed through retail channels. Expenditures for drugs dispensed in inpatient settings, to hospital outpatients, by clinics, and directly by physicians are reported within those service categories. About 56 percent of all dollars for drugs and medical sundries is spent for prescription drugs alone.

From 1965 to 1979, spending for retail drugs and sundries has increased about 8.8 percent annually, a rate significantly below other major health care services. Consequently, its share of health care spending has declined from over 12 percent in 1965 to the 8.0 percent seen in 1979.

### **DENTISTS' SERVICES**

Services of dentists, including the services of dental laboratories, accounted for expenditures of \$13.6 billion in 1979. The share of total spending, 6.4 percent, has changed little since 1965. In spite of the 2.8 percent annual increase in dental visits between 1968 and 1978.

### **OTHER PERSONAL CARE**

The remaining 6.7 percent in personal health care expenditures was for services of other health professionals, including most home health agencies, eyeglasses and orthopedic appliances, and the cost of providing care in industrial plants. These services have declined from an 8.5 percent share in 1965.

### **OTHER HEALTH CARE SPENDING**

Personal health care spending totaled \$189 billion in 1979. About 11 percent more, \$23.6 billion, was spent for nonpersonal health care services, bringing the annual total to \$212 billion. These expenditures covered the prepayment and administrative expense of private health insurance and public programs, the funding of government public health programs, research, and the construction of medical facilities. Expenditures for research (both biomedical and health care delivery) include only government funds for research and expenditures by research and development organizations. Research and development expenditures of drug companies and other manufacturers and providers of medical equipment and supplies (estimated at \$1.8 billion in 1978) are not included with research expenditures but are assumed to be included in the expenditure class in which the product or service falls. (See "Definitions" section for a more detailed description of nonpersonal care categories.)

### **Financing of Health Care**

Unlike other goods and services for which the consumer pays the provider directly, health care payments are frequently handled by a financial agent—a "third party." In 1979, more than two-thirds of the funds spent for personal health care were supplied by third parties, principally private health insurers and public agencies acting as insurers. The details of the payment method vary—the private health insurance organization may reimburse the provider in whole or in part for the cost of service, or the consumer may be reimbursed for money he or she has paid out for insured services. Public agencies may employ the private insurance industry to disburse provider payments on behalf of entitled beneficiaries, or government agencies may provide health care services directly to selected groups, for example, Veterans Administration services to veterans.

### **THIRD-PARTY PAYMENTS**

In 1979, personal health care funds supplied by third parties amounted to \$128.6 billion of the \$188.6 billion in personal health expenditures, or 68 percent (Table 5). All levels of government—Federal, State, and local—financed the largest portion of that amount, \$75.9 billion or 40 percent of the total. Private health insurance payments covered an additional 27 percent of personal health care. Care financed by private philanthropic organizations and amounts spent by industry for maintenance of in-plant health services amounted to a little over one percent of the total.

The growth in third party payments has been significant, increasing from less than half (48 percent) of all personal health care funds in 1965 to over two-thirds in 1979 (Table 4). The insurance share increased moderately from 24 to 27 percent over these 15 years. Public spending, on the other hand, nearly doubled—from 22 to 40 percent.

Coverage by both private insurance and government has concentrated on hospital care and physicians' services. In 1979 they paid 92 percent of spending for hospital care (including a one percent contribution from philanthropy). The increase in this share since 1965, when it was 83 percent, has not been dramatic, but the mix has changed: government payments increased from 39 to 56 percent of all hospital care during the period from 1965 to 1979 (Table 5), while the share paid by private insurance declined from 42 to 35 percent.

Third party payments to physicians have grown much more rapidly, from 39 to 64 percent of the total cost of physicians' services between 1965 and 1979. With the advent of Medicare and Medicaid, government payments to physicians have increased from seven to 26 percent of total spending. The share paid by private insurance increased from 32 to 37 percent.

For the remaining personal health care services, third parties pay a smaller, but growing, proportion. Payments by government and insurance doubled from 19 to 39 percent between 1965 and 1978. This growth was due primarily to growth in government payments for such things as nursing home care, drugs, etc.

## PRIVATE HEALTH INSURANCE

In 1979, private insurers, including the Blue Cross and Blue Shield plans, commercial insurance companies, and independent plans, paid benefits amounting to \$50.3 billion, or 27 percent of personal health care expenditures. In 1977, approximately 168 million persons, or 76 percent of the U.S. population, were covered by private hospital insurance.

The premiums collected by private health insurers normally exceed the amounts paid out in benefits. This allows the insurer to cover the administrative cost of paying claims, to maintain appropriate and required reserves to cover anticipated claims, and to return a profit, in the case of for-profit companies. The difference between the premiums and benefit payments, the "net cost," is included in the national health expenditure estimates under "Expenditures for Prepayment and Administration." It is not classified in personal health care. Of the total \$54.4 billion in premiums collected in 1979, \$50.3 billion were paid in benefits. The remaining \$4.1 billion represented the "net cost." These premiums represented 26 percent of all national health spending. (See Carroll and Arnett, 1979, for a detailed discussion of the private health insurance industry.)

Consumer expenditures for health care represent that portion of the health care dollar that is not financed by public programs or paid by philanthropy or industry. It is the share that is potentially insurable through private health insurance. In 1979, consumer expenditures for personal health care were \$110.3 billion, and only 46 percent was covered by insurance

benefits. This percentage has increased from 32 percent in 1965.

The period of the 1950s was a time of rapid expansion for private health insurance. By 1965, 24 percent of personal health care was covered by private insurance. With the enactment of Medicare and Medicaid in 1965, government expenditures began to increase significantly, and the growth of the insurance share began to slow. In the last few years, it has stabilized at about 27 percent.

The impact of private health insurance has varied by type of care. Hospital care was the first type of service to be extensively covered by insurance. In 1960, private insurance covered 36 percent of hospital care expenditures. That share reached 42 percent by 1965. Extensions of coverage beyond surgical procedures in recent years has led to a higher share of physicians' services being reimbursed by private insurance. This share rose from 29 percent in 1967 to 37 percent in 1979.

For other health care services, insurance coverage has been extremely limited. Dental care is the only other category with any significant private insurance share; insurance paid for about 23 percent of dental expenditures in 1979.

## PUBLIC EXPENDITURES

Government-sponsored programs spent \$75.9 billion and provided 40 percent of personal health care spending in 1979. All expenditures under programs established by public law are included here. Amounts spent under workers' compensation programs, for example, are counted as government expenditures, although they include benefits paid by private insurers from premiums collected from private sources. Federal funds financed more than two-thirds of the public outlay, or \$53.3 billion. State and local governments provided the remaining \$22.6 billion. Table D indicates the shares of personal health care paid by public programs.

The two largest government programs involved in financing health care are Medicare and Medicaid, which together paid \$51.0 billion in benefits in 1979. This amount financed over one-quarter of the total expenditures and two-thirds of all public spending for personal health care. In 1977, the administration of these two programs was consolidated under a new Federal agency—the Health Care Financing Administration (HCFA)—in the Department of Health, Education, and Welfare (now Health and Human Services).

### Medicare

Nearly 28 million people, 90 percent of whom are age 65 or older, are enrolled under the Medicare program. In 1979, program expenditures totaled \$30.3 billion, of which \$29.3 billion represented benefit payments. An average of \$1,788 per person was paid in 1979 for the approximately 16.4 million persons receiving benefits.

**TABLE D**  
**Percentage of Public Expenditures for Personal Health Care Paid by Selected Public Programs, 1979**

	All Personal Care	Hospital Services	Physicians' Services	Nursing Home Care
All Public Program Expenditures	100.0	100.0	100.0	100.0
Medicare	38.6	45.4	60.3	3.7
Medicaid	28.5	16.8	20.8	87.1
Veterans' Administration	7.0	9.3	0.6	3.1
Department of Defense	5.3	6.2	1.0	—
Workers' Compensation	4.4	3.6	13.3	—
State and Local Hospitals (Net of Reimbursement)	9.8	14.3	—	—
All Other	6.4	4.4	4.0	6.1

The Medicare program, established under Title XVIII of the Social Security Act, became effective July 1, 1966. Initially, it was designed as a Federal insurance program to protect the elderly (those age 65 years and older) from the high cost of obtaining adequate acute medical care. On July 1, 1973, permanently disabled workers (and their dependents) eligible for disability benefits and persons suffering from end-stage renal disease became eligible for Medicare benefits.

Medicare payments for hospital care in 1979 were, \$21.7 billion, representing 74 percent of program benefit payments and paying for 26 percent of all hospital care in the nation (Figure 3). Nearly all Medicare hospital benefits (98 percent) are for care in community hospitals, with most of that amount for acute care. Reimbursements for physicians' services accounted for 22 percent of Medicare payments and 16 percent of all physician revenues. Payments for long-term care, such as nursing home care, are made only if such care is required for convalescence and skilled nursing care is provided. Approximately two percent of all nursing home expenditures was covered by Medicare in 1979.

Growth in total personal health care spending by Medicare was nearly 18 percent in 1979, up from 15 percent the previous year. Acceleration in hospital costs may be a factor here, offsetting the leveling off in expenditure growth which resulted from the inclusion of the new enrollment groups in 1973.

Unlike other Federal programs, Medicare is not financed solely by general revenues. The Hospital Insurance (HI) Program is financed largely through a payroll tax on employers and employees. The Supplemental Medical Insurance Program (SMI) is financed through premium payments and general revenues. The general revenue share of SMI has grown significantly, from about 50 percent in 1972 to 68 percent in 1979. This growth is due primarily to the legal restriction on premium increases. Premiums may not increase more than increases in monthly cash retirement and survivor benefits under the social security programs. Since SMI benefit payments have grown faster than premium payments limited by these provisions, the Federal share required to maintain the trust fund has grown proportionately faster.

### Medicaid

In 1979, Medicaid paid \$21.7 billion in benefits (Table 7), averaging \$947 per person, on behalf of 22.9 million recipients. Expenditures were up 15 percent over 1978, somewhat higher than the increase in 1977.

Title XIX of the Social Security Act established a joint Federal-State program to provide medical assistance to certain categories of low-income persons. These include aged, blind, and disabled persons, or members of families with dependent children, when one parent is absent, incapacitated, or unemployed. Medicaid provides medical assistance to those people who are eligible to receive cash assistance under one of the existing welfare programs established under the Social Security Act (Title IV-A, Aid to Families with Dependent Children [AFDC], or Title XVI, Supplemental Security Income [SSI]). The program is State-administered and provides for Federal matching grants for a portion of the cost of providing medical benefits to the categorically eligible. In addition, if the State chooses, Federal matching funds are available for medical benefits for the "medically needy"—persons in one of the qualifying categories who have incomes too high for cash assistance but not adequate to pay their medical bills. The Federal share is derived from a formula based on a State's per capita income. Currently, the Federal contribution ranges by State from 50 to 78 percent, with the national average at 56 percent.

Medicaid payments for hospital care were \$8.0 billion in 1979, 9.4 percent of total hospital expenditures. The program covers much more long-term, nonacute institutional care than Medicare. Hospital payments include a larger portion of care in long-term care and psychiatric hospitals. Forty-one percent of Medicaid benefits were for nursing home expenditures. This \$8.8 billion represented 49 percent of all spending for nursing homes and 87 percent of public spending for nursing homes in 1979. In recent years, benefits for intermediate-care facilities for the mentally retarded have been included in the Medicaid nursing home figures, accounting for about 15 percent of Medicaid nursing home benefits in 1979. Medicaid and Medicare are a major source of financing for home health agency services. Although the level of spending for home health services is relatively low, its recent and continuing growth makes it particularly

noteworthy. The basic services provided by home health agencies are home visits by nurses, aides, and other nonphysician health professionals. In 1972, about \$280 million were spent for such home health services, about a third of which were funded by the Medicare and Medicaid programs. Home health visits were provided to about 250,000 people under Medicare and 113,000 under Medicaid. With concern over increasing populations in nursing homes, home health services have continued to be explored as a possible alternative to much more costly nursing home care, and the dollars committed to this area have expanded. By 1978, the level of total expenditures had risen to about \$845 million, about 80 percent of which was funded by Medicare or Medicaid. Thus, most of the growth in spending for home health agencies was financed by the two HCFA programs. This growth was due mainly to the increase in the number of persons using such services. In 1978, nearly 770,000 Medicare recipients and over 300,000 Medicaid recipients were receiving home health care.

About eight percent of home health agency expenditures is provided by hospital-based agencies and is included in the hospital services sector of personal health care expenditures. The rest is included in "other professional services."

### Other Public Program Expenditures

State spending for medical care for the poor who are not eligible for Medicaid or for Federal matching funds is classified as "other medical public assistance." In 1979, this spending amounted to \$1.5 billion.

In addition, a large public contribution to health spending comes from State and local government outlays in their own hospitals. State and local governments spent an additional \$6.8 billion for hospital care in 1979, after deducting reimbursements received from public and private sources.

The Veterans' Administration provided another seven percent of public spending, and the Department of Defense financed an additional five percent.

The category "Other Public Expenditures for Personal Health Care," shown in Table 7, includes a number of public programs not detailed in this report. These include maternal and child health programs, \$690 million; medical payments under vocational rehabilitation, \$275 million; temporary disability insurance, \$77 million; Public Health Service and other Federal hospitals, \$1,200 million; Indian Health Services, \$340 million; and Alcohol, Drug Abuse, and Mental Health Administration, \$697 million.

### TRENDS IN PUBLIC SPENDING

About one-fifth of the U.S. population (47 million people) is covered by either Medicare or Medicaid, after corrections are made for duplication. Medicaid pays the Supplemental Medical Insurance premiums for some 3 million persons who show up as eligible and/or receiving benefits under both programs. The growth in service reimbursed by Medicare and Medicaid has dramatically altered the nature of public spending since 1965. At that time, the Federal and the

State and local governments shared almost equally in spending for personal health care—with 10 and 11 percent, respectively. By 1979, the Federal portion had increased steadily to 28 percent, and the State and local share had remained nearly the same, at 12 percent. State and local spending is the net after Federal reimbursements and grants-in-aid for various programs have been deducted. The amounts received from the Federal government as revenue sharing funds and used for health programs are not deducted from State spending, since there is not adequate information to make this adjustment. During the fiscal year ending September 1977, States used \$615 million in revenue sharing funds for health care purposes, much of which is reflected in "government public health activities."

Combined public spending for personal health care in 1979 was 40 percent of the total, or \$75.9 billion. Because of the orientation of Medicare and Medicaid toward hospital care, public spending for hospital care jumped from 39 to 55 percent from 1965 to 1967. Since that time, it has varied between 52 and 55 percent, standing at 56 percent in 1979. The public share of spending for physicians' services nearly tripled to 20 percent in the same period and reached 26 percent in 1979.

### PHILANTHROPY AND INDUSTRIAL IN-PLANT

Some health care is provided to industrial employees through in-plant health services. Expenditures for these services, classified under "other health services," are estimated at \$1.3 billion in 1979. Private philanthropic organizations' funds for personal health care are classified by type of care and totaled over \$1 billion in 1979. Administrative and fund-raising expenses of private charities are classified with expenses for prepayment and administration, while philanthropic support of research and construction is included with the respective expenditure categories.

### DIRECT PAYMENTS

The portion of personal health care expenditures not paid by third-parties is known as "direct payments" or "out-of-pocket" costs. This amount excludes the consumer payments for Medicare or private health insurance premiums but includes deductible and coinsurance amounts. In 1979, direct payments amounted to \$60.0 billion, or \$267 per person.

There has been a decline in the share of out-of-pocket payments for health care, from a little over one-half in 1965 to less than one-third in 1979 because of the rapid growth in third-party payments, particularly those assumed by government. *Per capita* payment for personal health care in 1979 was \$838, of which \$267 was paid out-of-pocket.

The share of expenditures borne directly by the consumer varies by type of service (Table 5). In 1979, consumers paid only eight percent of hospital expenditures directly, an average of \$31 per person. They paid 37 percent of physicians' expenditures directly, an average of \$66 per person. For dentists, however, the direct share was 73 percent, and for drugs and drug sundries it was 84 percent. As shown in Table 5, the direct payment share for hospital and physicians'

services has been cut nearly in half since 1965. For all other services, however, private health insurance and public programs have not assumed as great a share of the burden.

## Definitions, Concepts, and Sources of Data

Estimates of national health expenditures are compiled by type of expenditure (use of funds) and channel of financing (source of funds). In most instances, the total level of the expenditures for each type of service is developed for the nation as a whole; estimates for government spending for these services are then subtracted to derive the private contribution. The accounting framework used for national health expenditures identifies each dollar spent for health care and counts it only once as it moves through the complex financing channels of the American health care system.

### HOSPITAL CARE

The estimates of expenditures for hospital care are compiled chiefly from data on hospital finances collected by the American Hospital Association (AHA) as part of the Annual Survey of Hospitals and the monthly National Hospital Panel Survey. The data from the monthly survey are used to project levels of community hospital expenditures for periods more recent than the latest annual survey and to adjust the annual survey data to correspond to the various time periods for which estimates are made.

The composite estimate represents all spending for hospital services in the nation for both inpatient and outpatient care, including all services by hospital staff (including physicians salaried by the hospital) and spending for drugs and other supplies. Self-employed physicians' services in hospitals (surgeons, for example) are not counted as hospital expenditures. Anesthesia and X-ray services are sometimes classified as hospital care expenditures and sometimes as expenditures for physicians' services, depending on billing practices.

The objective is to identify outlays for hospital services rather than the cost of providing service. Total revenue data are used for community hospitals; for other types of hospitals, where revenue data are not available, total expenses are used. Certain adjustments are made in the AHA data: additions are made to allow for a small number of hospitals not included in the national totals, and estimates for Federal hospitals are based on figures obtained from the responsible agencies.

### NURSING HOME CARE

Expenditures for nursing home care encompass spending in all facilities or parts of facilities providing some level of nursing care. Included are all nursing homes certified by Medicare and/or Medicaid as skilled nursing facilities, those certified by Medicaid as intermediate care facilities for regular patients as

well as solely for the mentally retarded, and all other homes providing some level of nursing care, even though they are not certified under either program.

The estimates for total nursing home expenditures other than those intermediate care facilities serving the mentally retarded are derived from data on facilities, utilization, and costs. Sources for these data are the National Center for Health Statistics National Nursing Home Surveys and the Internal Revenue Service statistical reports. Estimates for years for which no data are available are based on indexes of prices paid by nursing homes for labor and nonlabor resources as well as utilization. The nonhospital portion of Medicaid expenditures for intermediate care facilities for the mentally retarded is added to regular nursing home expenditures.

### SERVICES OF PHYSICIANS, DENTISTS, AND OTHER HEALTH PROFESSIONALS

Expenditures for the services of these practitioners are based primarily on data compiled from business income tax returns filed with the Internal Revenue Service. The Internal Revenue Service prepares summaries of the financial information on the return by type of business. Annual reports of these summaries are published in *Statistics of Income—Business Income Tax Returns*.

For physicians and dentists, business receipts (which excludes income not derived from practice) are totaled for sole proprietorships, partnerships, and incorporated practices. For physicians, that portion of spending for outpatient independent laboratory services billed directly to patients and not included with physicians' business receipts is added. So are estimated expenses of nonprofit group-practice prepayment plans in providing physicians' services (to the extent that they are not duplicated in physicians' income from self-employment). Estimated receipts by physicians for life insurance exams are deducted. Physician group practices that are nonprofit corporations are included with prepayment plans as indicated above, or, in some cases, with hospital expenditures where services are provided under contract to hospitals.

The salaries of physicians and dentists on the staffs of hospitals and hospital outpatient facilities are considered a component of hospital care; if they are serving in field services of the Armed Forces their salaries are included in "other health services." Where they are separable, expenditures for the education and training of medical personnel are considered as expenditures for education and excluded from health expenditures.

Expenditures for nonprofit group-practice dental clinics are added to dentists' business receipts. No adjustment is necessary for dental laboratories, since all billings are assumed to be made through dentists' offices.

The Internal Revenue Service also compiles data on the income of other health professionals in private practice. These include private-duty nurses, chiropractors, and optometrists, as well as other undesignated health professionals. Estimates for home health agencies that are not hospital-based are added to the

private income of other health professionals. The portions of optometrists' receipts that represent the cost of eyeglasses are deducted, since they are included under spending for eyeglasses and appliances.

### **DRUG AND DRUG SUNDRIES, EYEGLASSES, AND ORTHOPEDIC APPLIANCES**

Expenditures in these categories include only those for outpatient drugs and appliances and exclude those provided to hospital inpatients and nursing home patients and through physicians' offices. The basic source of the estimates for drugs and drug sundries and for eyeglasses and appliances is the estimate of personal consumption expenditures compiled by the Bureau of Economic Analysis of the Department of Commerce as part of the National Income and Product Accounts. This estimate is adjusted to levels of expenditure represented in the 1972 Census of Retail Trade. In addition, estimated payments by workers' compensation programs (a part of which is private consumer payment in the Commerce series but public expenditure in the NHE series) are deducted. The resulting private spending figure for drugs and appliances is combined with expenditures by public programs for these products to arrive at the total amount of expenditures for the nation.

### **OTHER HEALTH SERVICES**

Items of expenditure that could not be classified elsewhere are brought together in the category "other health services." It includes the residual amount of expenditures for each public program not classified as a specific type of medical service. In addition, it includes (1) industrial in-plant services, (2) school health services, and (3) provision of care in Federal units other than hospitals.

Expenditures for industrial in-plant services consist of private industry spending for maintaining on-site health services. School health spending is reported under the source-of-fund category of "other public expenditures for personal health care." Expenditures for medical activities in Federal units other than hospitals are residual amounts that primarily represent the cost of maintaining military outpatient facilities (separately from hospitals) and field and shipboard medical stations.

### **GOVERNMENT PUBLIC HEALTH ACTIVITIES**

The Federal portion of government public health activities consists of outlays for the organization and delivery of health services, the prevention and control of health problems, and similar health activities administered by various Federal agencies (chiefly the Department of Health and Human Services).

The State and local portions represent expenditures of all State and local health departments, less intergovernmental payments to the States and localities for public health activities. They exclude expenditures of other State and local government departments for air pollution and water pollution control, sanitation, water supplies, and sewage treatment. The source of these data is *Governmental Finances* (annual statistical series) of the Bureau of the Census.

### **EXPENSES FOR PREPAYMENT AND ADMINISTRATION**

Prepayment expense represents the difference between the earned premiums or subscription income of private health insurance organizations and their claims or benefit expenditures (or expenditures for providing such services, in the case of organizations that provide services directly). In other words, it is the amount retained by health insurance organizations for operating expenses, additions to reserves, and profits.

The administration component includes nonpersonal health expenditures of private voluntary health organizations for health education, lobbying, fund-raising, etc. In addition, it includes administrative expenses of Federally financed health programs, where available. Such data were available for Medicare, Medicaid, and the Veterans Administration and Department of Defense contract programs for medical care.

### **MEDICAL RESEARCH**

Expenditures for medical research include all spending for biomedical research and research in the delivery of health services by private organizations and public agencies whose primary object is to advance human health. Also included are those health-related research expenditures made by other Federal agencies. Research expenditures of drug and medical supply companies are excluded, since they are included in the cost of the product.

The Federal amounts are derived from agency reports. The amounts shown for State and local governments and private expenditures are based on published estimates prepared by the National Institutes of Health—primarily in the annual publication, *Basic Data Relating to the National Institutes of Health*.

### **CONSTRUCTION OF MEDICAL FACILITIES**

Expenditures for construction represent "value put in place" for hospitals, nursing homes, medical clinics, and medical research facilities but not for private office buildings providing office and laboratory facilities for private practitioners. Also excluded are amounts spent for construction of water-treatment or sewage-treatment plants and Federal grants for these purposes.

The data for "value put in place" for construction of publicly and privately owned medical facilities in each year are taken from Department of Commerce reports.

### **EXPENDITURES BY GOVERNMENT PROGRAMS**

All expenditures for health care that are channeled through any program established by public law are treated as a public expenditure in these estimates. Expenditures under workers' compensation programs, for example, are included with government expenditures, although they include benefits paid by private insurers from premiums that have been collected from private sources.

Funds disbursed by public programs are reported as program expenditures, including private contributions made by beneficiaries of the supplemental medical insurance (SMI) program under Medicare. The benefit expenditures reported in this series are not adjusted to eliminate the Medicare-Medicaid duplication from payments made by State governments into the Medicare trust fund (in the form of SMI premiums for public assistance and supplemental security income recipients) and reported as a Medicaid expenditure. This "buy-in" amount was \$309 million in 1979.

### **Federal Expenditures**

Federal program expenditures are based in part on data reported to the Office of Management and Budget by the various Federal agencies as part of the Federal budget process.

Several significant differences exist from spending reported in the Federal budget, however, because of the conceptual framework on which the national health expenditure series is based. Expenditures for education and training of health professionals are excluded from national health expenditures. These Federal expenditures include direct support of health professional schools and student assistance through loans and scholarships. Training is funded for a wide variety of health professionals, including physicians, dentists, nurses, mental health and other health professionals, research personnel, and para-medical personnel. Payments by agencies for health insurance for employees are included with other private health insurance expenditures, rather than as government expenditure.

Outlays of Federal programs by the type of health care provided are based on information obtained from the agencies that administer each program.

### **State and Local Government Expenditures**

In general, all spending by State and local government units for health care that is reimbursed neither by Federal funds nor by patients or their agents is treated as State and local expenditures. For State-administered programs, such as Medicaid, the figure

reported is the net of matching revenues from the Federal government.

As with Federal expenditures, payments for employee health insurance by State and local governments as employers are included under private health insurance expenditures.

## **Implicit Price Deflator for Health Expenditures**

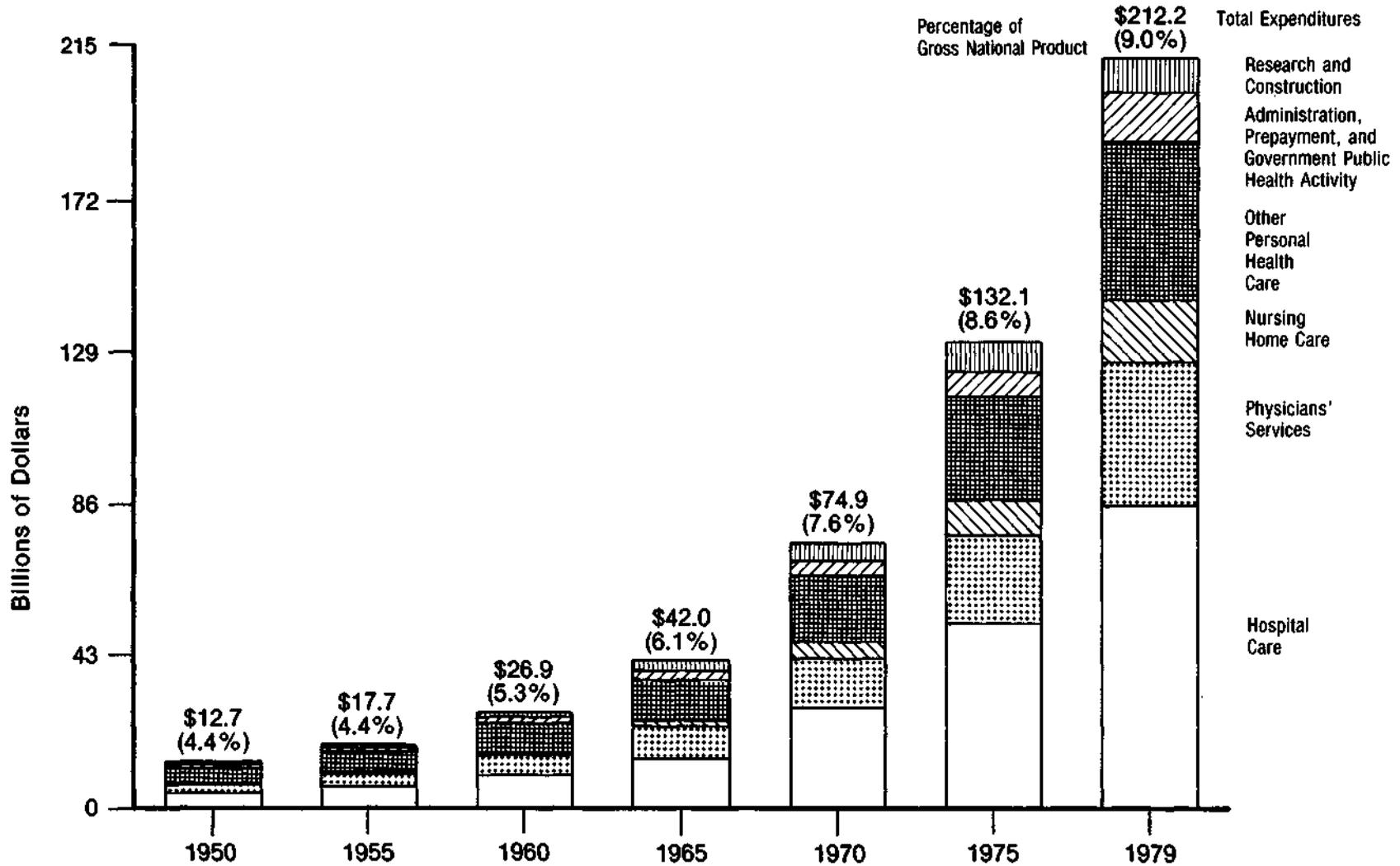
In order to examine trends in "real" personal health expenditures (those from which the effects of price changes have been removed), an implicit price deflator for personal health care is used. The deflator, a Paasche price index developed by HCFA, is the result of piecewise price adjustment of the components of personal health care expenditures. Conceptually, this composite deflator is superior to the medical care price index of the Consumer Price Index, since the weights are derived from *total* spending for each personal health category; the weights are adjusted each year to reflect changes in use, and, where possible, the price measures used are more reflective of overall spending in a category.

A fixed weight, or Laspeyres, price index was also derived to examine the effects of changes in price, population, and intensity on the growth of personal health care. The price for each type of service is the same as that used for the deflator discussed above; the weight attached to the price of each service is the 1972 level of spending for that service as a share of total personal health care expenditure.

## **Private Health Insurance**

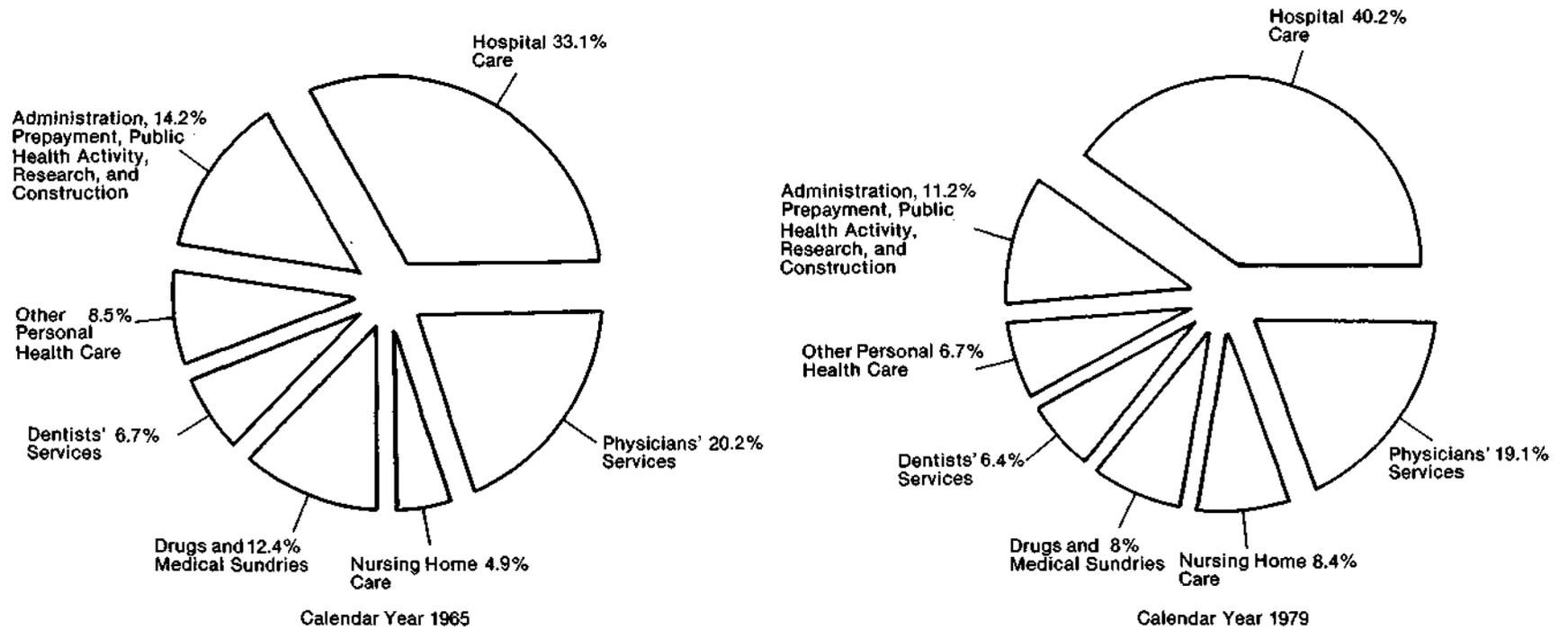
Estimates of benefits paid and the prepayment expense of private health insurance organizations are derived from the data series on the financial experience of private health insurance organizations compiled by the Health Care Financing Administration.

**FIGURE 1**  
**National Health Expenditures**  
**Selected Calendar Years 1950-79**



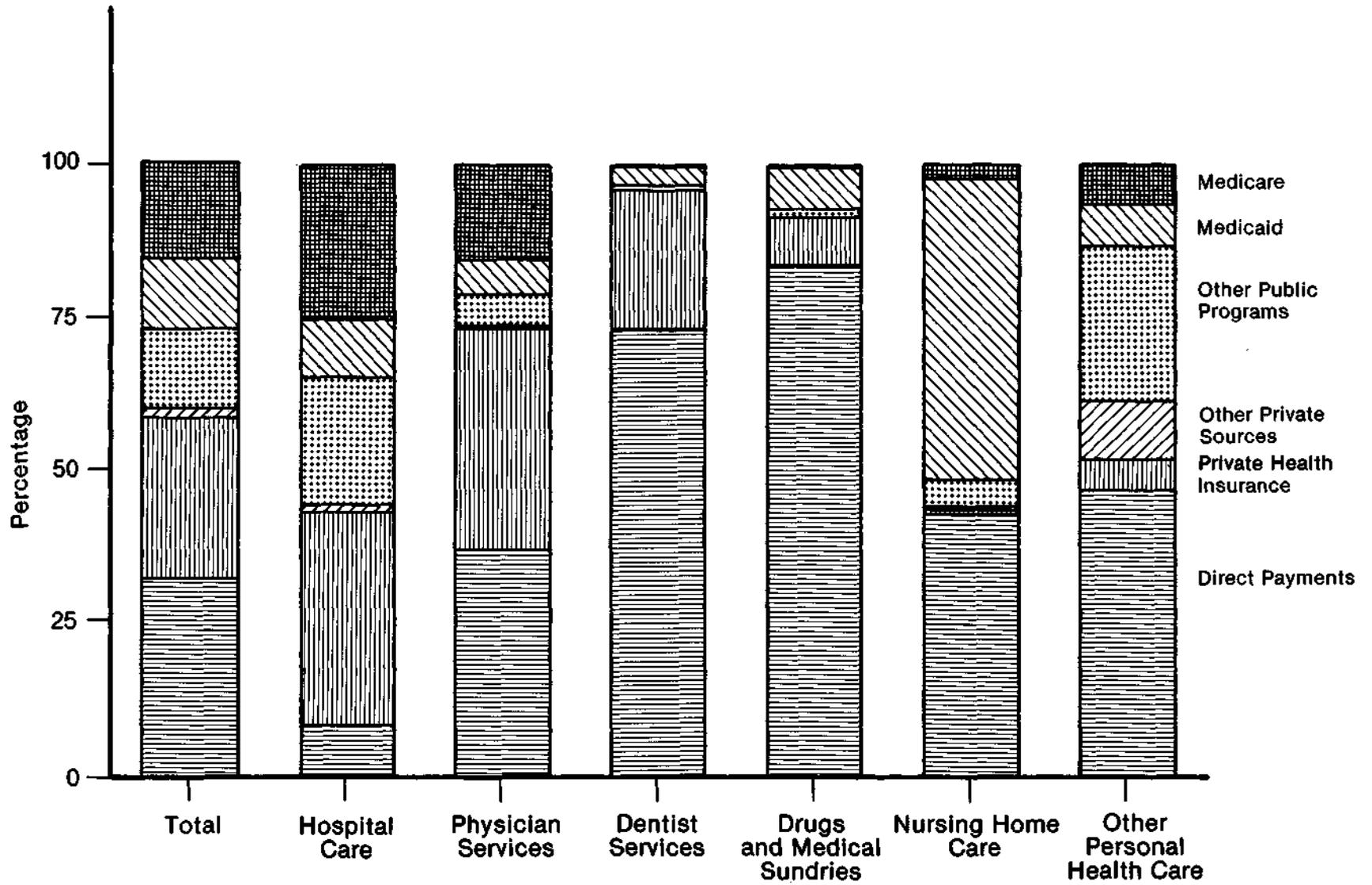
Source: Tables 1 and 2

**FIGURE 2**  
**Distribution of National Health Expenditures**  
**By Type of Expenditure**



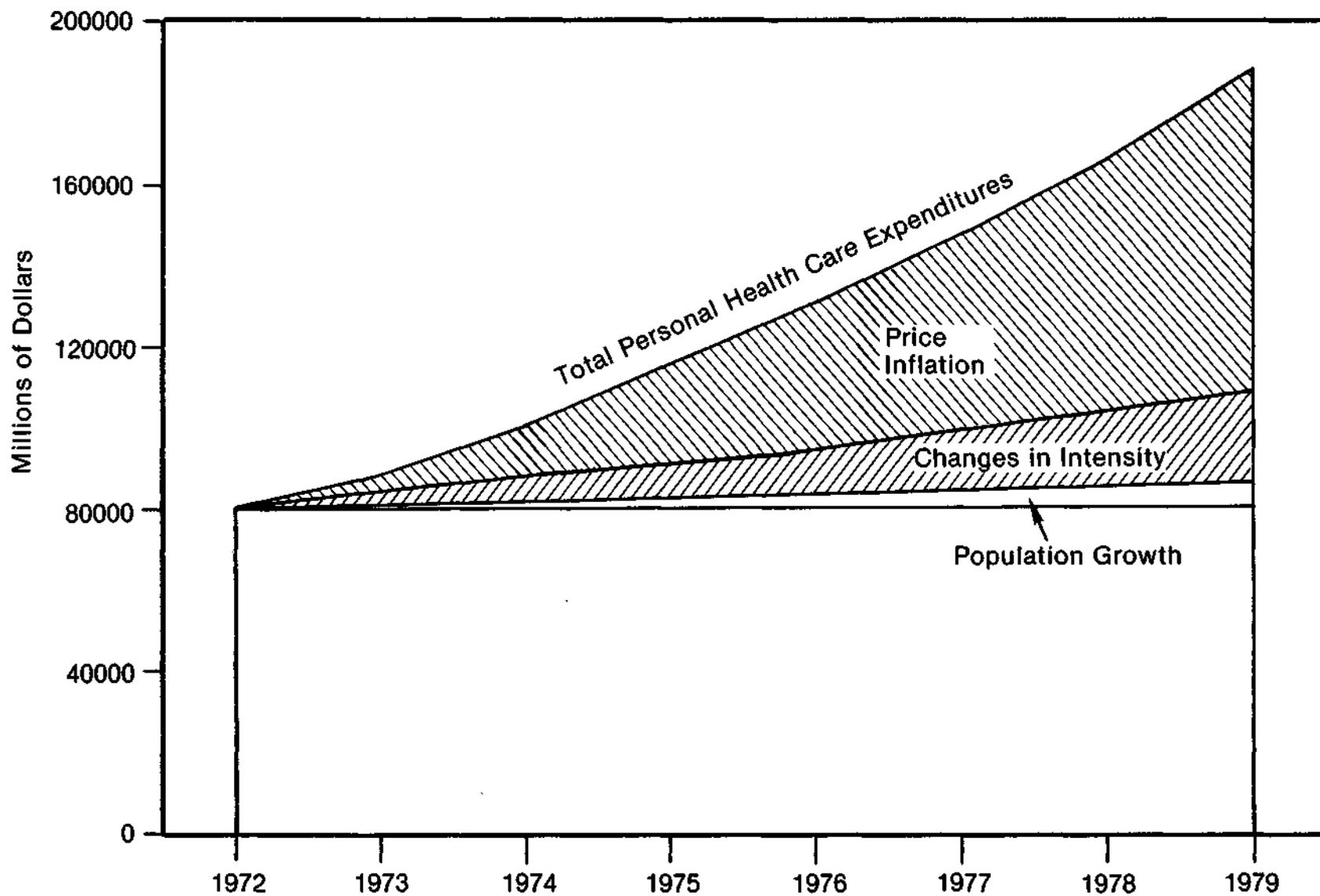
Source: Table 2

**FIGURE 3**  
**Sources of Funds for Personal Health Care Expenditures, by Type of Expenditure**  
**1979**



Source: Tables 3 and 5

**FIGURE 4**  
**Sources of Growth in Personal Health Care Expenditures,**  
**1972-1979**



Source: text table A

**TABLE 1**  
**National Health Expenditures: Amount and Per Capita Amount by Major Source of Funds and Percentage of Gross National Product, Selected Calendar Years, 1929-1979**

	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1965	1960	1950	1940	1929	
National Health Expenditures (billions)	\$212.2	\$188.6	\$169.9	\$148.9	\$132.1	\$116.3	\$103.0	\$93.5	\$83.1	\$74.9	\$42.0	\$26.9	\$12.7	\$4.0	\$3.6	
As a Percent of the GNP	9.0%	8.9%	8.9%	8.7%	8.6%	8.2%	7.9%	8.0%	7.8%	7.6%	6.1%	5.3%	4.4%	4.0%	3.5%	
<b>Sources of Funds:</b>																
Private Expenditures	\$120.8	\$108.0	\$99.3	\$85.7	\$75.8	\$69.1	\$63.7	\$58.1	\$51.4	\$47.1	\$31.0	\$20.3	\$9.2	\$3.2	\$3.2	
Public Expenditures	91.4	80.7	70.6	63.2	58.3	47.2	39.4	35.4	31.7	27.8	11.0	6.6	3.4	.8	.5	
Federal Expenditures	60.9	53.9	47.4	42.6	37.1	30.5	25.1	22.8	20.3	17.6	5.6	3.0	1.6	n.a.	n.a.	
State/Local Expenditures	30.5	26.8	23.2	20.6	19.2	16.7	14.2	12.6	11.4	10.2	5.3	3.6	1.8	n.a.	n.a.	
Per Capita Expenditures <sup>1</sup>	\$942.94	\$845.53	\$768.30	\$678.79	\$607.58	\$539.11	\$481.65	\$440.34	\$394.74	\$359.41	\$212.32	\$146.30	\$81.86	\$29.62	\$29.49	
<b>Sources of Funds:</b>																
Private Expenditures	\$536.82	\$483.88	\$448.93	\$390.59	\$348.63	\$320.48	\$297.72	\$273.44	\$244.28	\$225.88	\$156.84	\$110.20	\$59.62	\$23.61	\$25.49	
Public Expenditures	406.12	361.64	319.38	288.21	258.95	218.63	183.94	166.90	150.47	133.44	55.48	36.10	22.24	6.03	4.00	
Federal Expenditures	270.80	241.58	214.47	194.21	170.52	141.26	117.52	107.50	96.32	84.53	28.44	16.42	10.49	n.a.	n.a.	
State/Local Expenditures	135.32	120.06	104.91	93.99	88.43	77.37	66.41	59.40	54.15	48.90	27.04	19.69	11.75	n.a.	n.a.	
<b>Percentage Distribution of Funds</b>																
Private Funds	56.93	57.23	58.43	57.54	57.38	59.45	61.81	62.10	61.88	62.87	73.87	75.32	72.83	79.66	86.43	
Public Funds	43.07	42.77	41.57	42.46	42.62	40.55	38.19	37.90	38.12	37.13	26.13	24.68	27.17	20.34	13.57	
Federal Funds	28.72	28.57	27.91	28.61	28.07	26.20	24.40	24.41	24.40	23.52	13.39	11.22	12.81	n.a.	n.a.	
State/Local Funds	14.35	14.20	13.66	13.85	14.55	14.35	13.79	13.49	13.72	13.61	12.74	13.46	14.36	n.a.	n.a.	
<b>Addenda:</b>																
Gross National Product (billions)	\$2,368.8	\$2,127.6	\$1,899.5	\$1,702.2	\$1,528.8	\$1,412.9	\$1,306.5	\$1,171.1	\$1,063.4	\$982.4	\$688.1	\$506.0	\$286.2	\$100.0	\$103.4	
Population (thousands) <sup>1</sup>	225,041	223,107	221,104	219,318	217,452	215,696	213,941	212,338	210,546	208,402	197,784	183,831	154,675	134,591	123,731	
<b>Annual Percentage Changes</b>																
National Health Expenditures	12.5	11.0	14.1	12.7	13.6	12.8	10.2	12.5	11.0	12.3	9.3	7.8	12.2	.8		
Private Expenditures	11.9	8.8	15.9	13.0	9.7	8.5	9.7	12.9	9.2	8.7	8.9	8.2	11.2	.1		
Public Expenditures	13.3	14.3	11.7	12.3	19.4	19.8	11.0	11.9	13.9	20.4	10.6	6.8	15.5	4.6		
Federal Expenditures	13.1	13.7	11.3	14.9	21.7	21.2	10.1	12.6	15.1	25.7	13.3	6.4	n.a.	n.a.		
State/Local Expenditures	13.7	15.5	12.5	7.2	15.2	17.4	12.6	10.6	11.9	13.8	8.1	7.1	n.a.	n.a.		
Gross National Product	11.3	12.0	11.6	11.3	8.2	8.1	11.8	10.1	8.2	7.4	6.3	5.9	11.1	-3		
Population	.9	.9	.8	.9	.8	.8	.8	.9	1.0	1.1	1.5	1.7	1.4	.8		

<sup>1</sup>Based on July 1 population estimates including outlying territories, armed forces, and Federal employees overseas and their dependents.

Source: Health Care Financing Administration

**TABLE 2A**  
**National Health Expenditures by Type of Expenditure and Source of Funds, Per Capita Amounts, and**  
**Percentage Distribution, 1979**

Type of Expenditure	Private						Public		
	Total	Consumer			Other <sup>1</sup>	Total	Federal	State and Local	
		Total	Total	In-surance					
	Amount (in millions)								
Total	\$212,199	\$120,806	\$114,393	\$59,973	\$54,420	\$6,413	\$91,393	\$60,941	\$30,453
Health Services and Supplies	202,318	117,081	114,393	59,973	54,420	2,688	85,237	56,439	28,798
Personal Health Care	188,551	112,666	110,259	59,973	50,286	2,407	75,884	53,311	22,573
Hospital Care	85,342	37,650	36,708	6,905	29,803	942	47,692	34,886	12,806
Physicians' Services	40,599	29,975	29,951	14,813	15,138	24	10,624	7,999	2,625
Dentists' Services	13,607	13,068	13,068	9,938	3,130	—	539	298	241
Other Professional Services	4,687	3,487	3,435	2,832	604	52	1,200	848	352
Drugs and Medical Sundries	16,975	15,555	15,555	14,216	1,339	—	1,420	705	716
Eyeglasses and Appliances	4,353	3,944	3,944	3,789	155	—	409	332	77
Nursing Home Care	17,807	7,705	7,598	7,481	117	107	10,102	5,461	4,642
Other Health Services	5,180	1,283	—	—	—	1,283	3,897	2,783	1,114
Prepayment and Administration	7,720	4,414	4,133	—	4,133	281	3,306	1,787	1,519
Government Public Health Activities	6,047	—	—	—	—	—	6,047	1,341	4,706
Research and Construction of									
Medical Facilities	9,882	3,725	—	—	—	3,725	6,156	4,502	1,655
Research <sup>2</sup>	4,615	285	—	—	—	285	4,330	3,901	429
Construction	5,267	3,440	—	—	—	3,440	1,827	601	1,226
	Per Capita Amount								
Total	\$942.94	\$536.82	\$508.32	\$266.50	\$241.82	\$28.50	\$406.12	\$270.80	\$135.32
Health Services and Supplies	899.03	520.26	508.32	266.50	241.82	11.94	378.76	250.79	127.97
Personal Health Care	837.85	500.65	489.95	266.50	223.45	10.70	337.20	236.90	100.31
Hospital Care	379.23	167.30	163.12	30.68	132.43	4.18	211.93	155.02	56.90
Physicians' Services	180.41	133.20	133.09	65.82	67.27	.11	47.21	35.55	11.66
Dentists' Services	60.46	58.07	58.07	44.16	13.91	—	2.39	1.32	1.07
Other Professional Services	20.83	15.50	15.27	12.58	2.68	.23	5.33	3.77	1.57
Drugs and Medical Sundries	75.43	69.12	69.12	63.17	5.95	—	6.31	3.13	3.18
Eyeglasses and Appliances	19.34	17.52	17.52	16.84	.69	—	1.82	1.47	.34
Nursing Home Care	79.13	34.24	33.76	33.24	.52	.48	44.89	24.27	20.63
Other Health Services	23.02	5.70	—	—	—	5.70	17.32	12.37	4.95
Prepayment and Administration	34.31	19.62	18.37	—	18.37	1.25	14.69	7.94	6.75
Government Public Health Activities	26.87	—	—	—	—	—	26.87	5.96	20.91
Research and Construction of									
Medical Facilities	43.91	16.55	—	—	—	16.55	27.36	20.00	7.35
Research <sup>2</sup>	20.51	1.27	—	—	—	1.27	19.24	17.33	1.91
Construction	23.40	15.29	—	—	—	15.29	8.12	2.67	5.45
	Percentage Distribution								
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Health Services and Supplies	95.3	96.9	100.0	100.0	100.0	41.9	93.3	92.6	94.6
Personal Health Care	88.9	93.3	96.4	100.0	92.4	37.5	83.0	87.5	74.1
Hospital Care	40.2	31.2	32.1	11.5	54.8	14.7	52.2	57.2	42.1
Physicians' Services	19.1	24.8	26.2	24.7	27.8	.4	11.6	13.1	8.6
Dentists' Services	6.4	10.8	11.4	16.6	5.8	—	.6	.5	.8
Other Professional Services	2.2	2.9	3.0	4.7	1.1	.8	1.3	1.4	1.2
Drugs and Medical Sundries	8.0	12.9	13.6	23.7	2.5	—	1.6	1.2	2.3
Eyeglasses and Appliances	2.1	3.3	3.4	6.3	.3	—	.4	.5	.3
Nursing Home Care	8.4	6.4	6.6	12.5	.2	1.7	11.1	9.0	15.2
Other Health Services	2.4	1.1	—	—	—	20.0	4.3	4.6	3.7
Prepayment and Administration	3.6	3.7	3.6	—	7.6	4.4	3.6	2.9	5.0
Government Public Health Activities	2.9	—	—	—	—	—	6.6	2.2	15.5
Research and Construction of									
Medical Facilities	4.7	3.1	—	—	—	58.1	6.7	7.4	5.4
Research <sup>2</sup>	2.2	.2	—	—	—	4.4	4.7	6.4	1.4
Construction	2.5	2.8	—	—	—	53.6	2.0	1.0	4.0

<sup>1</sup>Spending by philanthropic organizations, industrial inplant services, and privately financed construction.

<sup>2</sup>Research and development expenditures of drug companies and other manufacturers and providers of medical equipment and supplies are excluded from "research expenditures," but included in the expenditure class in which the product falls.

**TABLE 2B**  
**National Health Expenditures by Type of Expenditure and Source of Funds, Per Capita Amounts, and Percentage Distribution, 1975**

Type of Expenditure	Private						Public		State and Local
	Total	Total	Total	Direct	In-surance	Other <sup>1</sup>	Total	Federal	
	Amount (in millions)								
<b>Total</b>	<b>\$132,120</b>	<b>\$75,811</b>	<b>\$70,739</b>	<b>\$37,725</b>	<b>\$33,014</b>	<b>\$5,072</b>	<b>\$56,309</b>	<b>\$37,079</b>	<b>\$19,230</b>
<b>Health Services and Supplies</b>	<b>123,822</b>	<b>72,476</b>	<b>70,739</b>	<b>37,725</b>	<b>33,014</b>	<b>1,737</b>	<b>51,346</b>	<b>33,915</b>	<b>17,431</b>
<b>Personal Health Care</b>	<b>116,522</b>	<b>70,341</b>	<b>68,802</b>	<b>37,725</b>	<b>31,077</b>	<b>1,539</b>	<b>46,182</b>	<b>31,531</b>	<b>14,650</b>
Hospital Care	52,141	23,286	22,744	3,978	18,766	542	28,855	20,253	8,602
Physicians' Services	24,932	18,380	18,366	8,682	9,684	14	6,552	4,665	1,887
Dentists' Services	8,237	7,770	7,770	6,412	1,358	—	467	275	192
Other Professional Services	2,619	2,045	2,016	1,596	420	29	573	375	198
Drugs and Medical Sundries	11,813	10,786	10,786	10,048	738	—	1,027	527	500
Eyeglasses and Appliances	2,982	2,757	2,757	2,725	32	—	226	174	51
Nursing Home Care	10,105	4,424	4,362	4,284	78	61	5,681	3,186	2,496
Other Health Services	3,692	892	—	—	—	892	2,800	2,076	723
Prepayment and Administration	4,143	2,136	1,937	—	1,937	199	2,007	1,163	845
<b>Government Public Health Activities</b>	<b>3,157</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,157</b>	<b>1,221</b>	<b>1,936</b>
<b>Research and Construction of</b>									
<b>Medical Facilities</b>	<b>8,298</b>	<b>3,335</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,335</b>	<b>4,963</b>	<b>3,164</b>	<b>1,799</b>
<b>Research<sup>2</sup></b>	<b>3,239</b>	<b>264</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>264</b>	<b>2,975</b>	<b>2,676</b>	<b>299</b>
<b>Construction</b>	<b>5,059</b>	<b>3,071</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,071</b>	<b>1,988</b>	<b>488</b>	<b>1,500</b>
	Per capita amount								
<b>Total</b>	<b>\$607.58</b>	<b>\$348.63</b>	<b>\$325.31</b>	<b>\$173.49</b>	<b>\$151.82</b>	<b>\$23.33</b>	<b>\$258.95</b>	<b>\$170.52</b>	<b>\$88.43</b>
<b>Health Services and Supplies</b>	<b>569.42</b>	<b>333.30</b>	<b>325.31</b>	<b>173.49</b>	<b>151.82</b>	<b>7.99</b>	<b>236.13</b>	<b>155.96</b>	<b>80.16</b>
<b>Personal Health Care</b>	<b>535.85</b>	<b>323.48</b>	<b>316.40</b>	<b>173.49</b>	<b>142.91</b>	<b>7.08</b>	<b>212.38</b>	<b>145.00</b>	<b>67.37</b>
Hospital Care	239.78	107.09	104.59	18.29	86.30	2.49	132.70	93.14	39.56
Physicians' Services	114.66	84.53	84.46	39.93	44.53	.06	30.13	21.45	8.68
Dentists' Services	37.88	35.73	35.73	29.49	6.24	—	2.15	1.26	.88
Other Professional Services	12.04	9.41	9.27	7.34	1.93	.13	2.64	1.72	.91
Drugs and Medical Sundries	54.33	49.60	49.60	46.21	3.40	—	4.72	2.42	2.30
Eyeglasses and Appliances	13.72	12.68	12.68	12.53	.15	—	1.04	.80	.23
Nursing Home Care	46.47	20.34	20.06	19.70	.36	.28	26.13	14.65	11.48
Other Health Services	16.98	4.10	—	—	—	4.10	12.87	9.55	3.33
Prepayment and Administration	19.05	9.82	8.91	—	8.91	.91	9.23	5.35	3.88
<b>Government Public Health Activities</b>	<b>14.52</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>14.52</b>	<b>5.61</b>	<b>8.90</b>
<b>Research and Construction of</b>									
<b>Medical Facilities</b>	<b>38.16</b>	<b>15.34</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>15.34</b>	<b>22.82</b>	<b>14.55</b>	<b>8.27</b>
<b>Research<sup>2</sup></b>	<b>14.90</b>	<b>1.21</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1.21</b>	<b>13.68</b>	<b>12.31</b>	<b>1.38</b>
<b>Construction</b>	<b>23.26</b>	<b>14.12</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>14.12</b>	<b>9.14</b>	<b>2.25</b>	<b>6.90</b>
	Percentage Distribution								
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Health Services and Supplies</b>	<b>93.7</b>	<b>95.6</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>34.2</b>	<b>91.2</b>	<b>91.5</b>	<b>90.6</b>
<b>Personal Health Care</b>	<b>88.2</b>	<b>92.8</b>	<b>97.3</b>	<b>100.0</b>	<b>94.1</b>	<b>30.3</b>	<b>82.0</b>	<b>85.0</b>	<b>76.2</b>
Hospital Care	39.5	30.7	32.2	10.5	56.8	10.7	51.2	54.6	44.7
Physicians' Services	18.9	24.2	26.0	23.0	29.3	.3	11.6	12.6	9.8
Dentists' Services	6.2	10.2	11.0	17.0	4.1	—	.8	.7	1.0
Other Professional Services	2.0	2.7	2.9	4.2	1.3	.6	1.0	1.0	1.0
Drugs and Medical Sundries	8.9	14.2	15.2	26.6	2.2	—	1.8	1.4	2.6
Eyeglasses and Appliances	2.3	3.6	3.9	7.2	.1	—	.4	.5	.3
Nursing Home Care	7.6	5.8	6.2	11.4	.2	1.2	10.1	8.6	13.0
Other Health Services	2.8	1.2	—	—	—	17.6	5.0	5.6	3.8
Prepayment and Administration	3.1	2.8	2.7	—	5.9	3.9	3.6	3.1	4.4
<b>Government Public Health Activities</b>	<b>2.4</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>5.6</b>	<b>3.3</b>	<b>10.1</b>
<b>Research and Construction of</b>									
<b>Medical Facilities</b>	<b>6.3</b>	<b>4.4</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>65.8</b>	<b>8.8</b>	<b>8.5</b>	<b>9.4</b>
<b>Research<sup>2</sup></b>	<b>2.5</b>	<b>.3</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>5.2</b>	<b>5.3</b>	<b>7.2</b>	<b>1.6</b>
<b>Construction</b>	<b>3.8</b>	<b>4.1</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>60.5</b>	<b>3.5</b>	<b>1.3</b>	<b>7.8</b>

<sup>1</sup>Spending by philanthropic organizations, industrial implant services, and privately financed construction.

<sup>2</sup>Research and development expenditures of drug companies and other manufacturers and providers of medical equipment and supplies are excluded from "research expenditures," but included in the expenditure class in which the product falls.

**TABLE 2C**  
**National Health Expenditures by Type of Expenditure and Source of Funds, Per Capita Amounts, and Percentage Distribution, 1970**

Type of Expenditure	Private						Public		
	Total	Consumer				Other <sup>1</sup>	Total	Federal	State and Local
		Total	Total	Direct	In-surance				
Amount (in millions)									
Total	\$74,903	\$47,094	\$43,313	\$26,128	\$17,185	\$3,781	\$27,809	\$17,617	\$10,191
Health Services and Supplies	69,583	44,534	43,313	26,128	17,185	1,221	25,049	15,745	9,304
Personal Health Care	65,372	42,912	41,872	26,128	15,744	1,040	22,460	14,561	7,899
Hospital Care	27,799	13,208	12,824	2,816	10,008	384	14,591	9,428	5,163
Physicians' Services	14,340	11,247	11,237	6,328	4,908	10	3,093	2,232	861
Dentists' Services	4,750	4,526	4,526	4,286	240	—	223	130	93
Other Professional Services	1,595	1,376	1,357	1,094	262	20	218	138	80
Drugs and Medical Sundries	8,208	7,724	7,724	7,414	310	—	484	239	245
Eyeglasses and Appliances	1,926	1,817	1,817	1,815	3	—	108	79	29
Nursing Home Care	4,697	2,421	2,387	2,375	12	34	2,276	1,339	938
Other Health Services	2,058	592	—	—	—	592	1,466	976	490
Prepayment and Administration	2,791	1,622	1,441	—	1,441	181	1,168	568	600
Government Public Health Activities	1,420	—	—	—	—	—	1,420	615	805
Research and Construction of									
Medical Facilities	5,320	2,560	—	—	—	2,560	2,760	1,872	888
Research <sup>2</sup>	1,889	215	—	—	—	215	1,674	1,491	183
Construction	3,431	2,345	—	—	—	2,345	1,086	381	705
Per capita amount									
Total	\$359.41	\$225.96	\$207.83	\$125.37	\$82.46	\$18.14	\$133.44	\$84.53	\$48.90
Health Services and Supplies	333.89	213.69	207.83	125.37	82.46	5.86	120.19	75.55	44.64
Personal Health Care	313.68	205.91	200.92	125.37	75.54	4.99	107.77	69.87	37.90
Hospital Care	133.39	63.38	61.54	13.51	48.02	1.84	70.01	45.24	24.77
Physicians' Services	68.81	53.97	53.92	30.37	23.55	.05	14.84	10.71	4.13
Dentists' Services	22.79	21.72	21.72	20.57	1.15	—	1.07	.62	.45
Other Professional Services	7.65	6.60	6.51	5.25	1.26	.10	1.05	.66	.39
Drugs and Medical Sundries	39.39	37.06	37.06	35.57	1.49	—	2.32	1.15	1.18
Eyeglasses and Appliances	9.24	8.72	8.72	8.71	.01	—	.52	.38	.14
Nursing Home Care	22.54	11.62	11.45	11.39	.06	.16	10.92	6.42	4.50
Other Health Services	9.87	2.84	—	—	—	2.84	7.03	4.69	2.35
Prepayment and Administration	13.39	7.78	6.92	—	6.92	.87	5.61	2.73	2.88
Government Public Health Activities	6.81	—	—	—	—	—	6.81	2.95	3.86
Research and Construction of									
Medical Facilities	25.53	12.28	—	—	—	12.28	13.24	8.98	4.26
Research <sup>2</sup>	9.06	1.03	—	—	—	1.03	8.03	7.15	.88
Construction	16.46	11.25	—	—	—	11.25	5.21	1.83	3.38
Percentage Distribution									
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Health Services and Supplies	92.9	94.6	100.0	100.0	100.0	32.3	90.1	89.4	91.3
Personal Health Care	87.3	91.1	96.7	100.0	91.6	27.5	80.8	82.7	77.5
Hospital Care	37.1	28.0	29.6	10.8	58.2	10.2	52.5	53.5	50.7
Physicians' Services	19.1	23.9	25.9	24.2	28.6	.3	11.1	12.7	8.4
Dentists' Services	6.3	9.6	10.5	16.4	1.4	—	.8	.7	.9
Other Professional Services	2.1	2.9	3.1	4.2	1.5	.5	.8	.8	.8
Drugs and Medical Sundries	11.0	16.4	17.8	28.4	1.8	—	1.7	1.4	2.4
Eyeglasses and Appliances	2.6	3.9	4.2	6.9	—	—	.4	.4	.3
Nursing Home Care	6.3	5.1	5.5	9.1	.1	.9	8.2	7.6	9.2
Other Health Services	2.7	1.3	—	—	—	15.7	5.3	5.5	4.8
Prepayment and Administration	3.7	3.4	3.3	—	8.4	4.8	4.2	3.2	5.9
Government Public Health Activities	1.9	—	—	—	—	—	5.1	3.5	7.9
Research and Construction of									
Medical Facilities	7.1	5.4	—	—	—	67.7	9.9	10.6	8.7
Research <sup>2</sup>	2.5	.5	—	—	—	5.7	6.0	8.5	1.8
Construction	4.6	5.0	—	—	—	62.0	3.9	2.2	6.9

<sup>1</sup>Spending by philanthropic organizations, industrial inplant services, and privately financed construction.

<sup>2</sup>Research and development expenditures of drug companies and other manufacturers and providers of medical equipment and supplies are excluded from "research expenditures," but included in the expenditure class in which the product falls.

**TABLE 2D**  
**National Health Expenditures by Type of Expenditure and Source of Funds, Per Capita Amounts, and Percentage Distribution, 1965**

Type of Expenditure	Private						Public		
	Total	Consumer			Other <sup>1</sup>	Total	Federal	State and Local	
		Total	Total	In- Direct					
Amount (in millions)									
Total	\$41,994	\$31,020	\$28,586	\$18,584	\$10,001	\$2,434	\$10,974	\$5,625	\$5,349
Health Services and Supplies	38,551	29,552	28,586	18,584	10,001	966	8,999	4,144	4,854
Personal Health Care	36,000	28,101	27,313	18,584	8,729	788	7,899	3,785	4,114
Hospital Care	13,885	8,473	8,164	2,374	5,790	309	5,412	2,430	2,982
Physicians' Services	8,473	7,885	7,877	5,197	2,680	8	588	151	436
Dentists' Services	2,809	2,760	2,760	2,717	43	—	49	32	17
Other Professional Services	1,033	994	976	897	79	18	39	12	26
Drugs and Medical Sundries	5,212	5,015	5,015	4,881	135	—	197	120	76
Eyeglasses and Appliances	1,211	1,182	1,182	1,181	1	—	29	12	17
Nursing Home Care	2,072	1,360	1,339	1,337	2	21	712	460	251
Other Health Services	1,306	431	—	—	—	431	875	568	308
Prepayment and Administration	1,736	1,451	1,272	—	1,272	178	286	14	271
Government Public Health Activities	814	—	—	—	—	—	814	344	469
Research and Construction of									
Medical Facilities	3,443	1,468	—	—	—	1,468	1,975	1,481	495
Research <sup>2</sup>	1,446	176	—	—	—	176	1,270	1,176	95
Construction	1,997	1,292	—	—	—	1,292	705	305	400
Per capita amount									
Total	\$212.32	\$156.84	\$144.53	\$93.96	\$50.57	\$12.31	\$55.48	\$28.44	\$27.04
Health Services and Supplies	194.91	149.42	144.53	93.96	50.57	4.89	45.50	20.95	24.54
Personal Health Care	182.02	142.08	138.10	93.96	44.13	3.98	39.94	19.14	20.80
Hospital Care	70.20	42.84	41.28	12.00	29.27	1.56	27.36	12.28	15.08
Physicians' Services	42.84	39.87	39.83	26.28	13.55	.04	2.97	.76	2.21
Dentists' Services	14.20	13.95	13.95	13.74	.22	—	.25	.16	.08
Other Professional Services	5.22	5.03	4.93	4.54	.40	.09	.20	.06	.13
Drugs and Medical Sundries	26.35	25.36	25.36	24.68	.68	—	.99	.61	.39
Eyeglasses and Appliances	6.12	5.98	5.98	5.97	.01	—	.15	.06	.08
Nursing Home Care	10.48	6.88	6.77	6.76	.01	.11	3.60	2.33	1.27
Other Health Services	6.60	2.18	—	—	—	2.18	4.43	2.87	1.55
Prepayment and Administration	8.78	7.34	6.43	—	6.43	.90	1.44	.07	1.37
Government Public Health Activities	4.11	—	—	—	—	—	4.11	1.74	2.37
Research and Construction of									
Medical Facilities	17.41	7.42	—	—	—	7.42	9.99	7.49	2.50
Research <sup>2</sup>	7.31	.89	—	—	—	.89	6.42	5.94	.48
Construction	10.10	6.53	—	—	—	6.53	3.57	1.54	2.02
Percentage Distribution									
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Health Services and Supplies	91.8	95.3	100.0	100.0	100.0	39.7	82.0	73.7	90.8
Personal Health Care	85.7	90.6	95.5	100.0	87.3	32.4	72.0	67.3	76.9
Hospital Care	33.1	27.3	28.6	12.8	57.9	12.7	49.3	43.2	55.8
Physicians' Services	20.2	25.4	27.6	28.0	26.8	.3	5.4	2.7	8.2
Dentists' Services	6.7	8.9	9.7	14.6	.4	—	.4	.6	.3
Other Professional Services	2.5	3.2	3.4	4.8	.8	.8	.4	.2	.5
Drugs and Medical Sundries	12.4	16.2	17.5	26.3	1.3	—	1.8	2.1	1.4
Eyeglasses and Appliances	2.9	3.8	4.1	6.4	—	—	.3	.2	.3
Nursing Home Care	4.9	4.4	4.7	7.2	—	.9	6.5	8.2	4.7
Other Health Services	3.1	1.4	—	—	—	17.7	8.0	10.1	5.7
Prepayment and Administration	4.1	4.7	4.5	—	12.7	7.3	2.6	.3	5.1
Government Public Health Activities	1.9	—	—	—	—	—	7.4	6.1	8.8
Research and Construction of									
Medical Facilities	8.2	4.7	—	—	—	60.3	18.0	26.3	9.2
Research <sup>2</sup>	3.4	.6	—	—	—	7.2	11.8	20.9	1.8
Construction	4.8	4.2	—	—	—	53.1	6.4	5.4	7.5

<sup>1</sup>Spending by philanthropic organizations, industrial implant services, and privately financed construction.

<sup>2</sup>Research and development expenditures of drug companies and other manufacturers and providers of medical equipment and supplies are excluded from "research expenditures," but included in the expenditure class in which the product falls.

**TABLE 3**  
**National Health Expenditures by Type of Expenditure, Amount, Per Capita Amount, and Percentage Distribution,**  
**Selected Years, 1929-1979.**

Type of Expenditure	Year							
	1979	1978	1977	1976	1975	1974	1973	1972
	Amount (in millions)							
Total	\$212,199	\$188,643	\$169,875	\$148,872	\$132,120	\$116,284	\$103,045	\$93,501
Health Services and Supplies	202,318	179,113	160,794	139,823	123,822	108,907	96,291	86,994
Personal Health Care	188,551	166,627	147,968	131,276	116,522	101,007	88,688	80,177
Hospital Care	85,342	75,842	67,721	59,808	52,141	44,769	38,673	34,974
Physicians' Services	40,599	35,802	31,852	27,565	24,932	21,245	19,075	17,162
Dentists' Services	13,607	11,894	10,535	9,448	8,237	7,366	6,531	5,625
Other Professional Services	4,687	4,080	3,566	3,202	2,619	2,230	1,973	1,802
Drugs and Medical Sundries	16,975	15,374	13,987	12,781	11,813	11,036	10,050	9,344
Eyeglasses and Appliances	4,353	3,945	3,491	3,219	2,982	2,707	2,480	2,215
Nursing Home Care	17,807	15,102	12,810	11,390	10,105	8,567	7,217	6,457
Other Health Services	5,180	4,587	4,006	3,863	3,692	3,088	2,690	2,597
Prepayment and Administration	7,720	7,202	8,511	4,734	4,143	5,169	5,370	4,811
Government Public Health Activities	6,047	5,284	4,316	3,813	3,157	2,731	2,233	2,006
Research and Construction of Medical Facilities	9,882	9,529	9,081	9,049	8,298	7,377	6,754	6,508
Research <sup>2</sup>	4,615	4,323	3,809	3,635	3,239	2,702	2,438	2,267
Construction	5,267	5,206	5,272	5,414	5,059	4,675	4,316	4,241
	Per Capita Amount <sup>1</sup>							
Total	\$942.94	\$845.53	\$768.30	\$678.79	\$607.58	\$539.11	\$481.65	\$440.34
Health Services and Supplies	899.03	802.81	727.23	637.53	569.42	504.91	450.08	409.69
Personal Health Care	837.85	746.85	669.22	598.57	535.85	468.29	414.54	377.59
Hospital Care	379.23	339.94	306.29	272.70	239.78	207.55	180.77	164.71
Physicians' Services	180.41	160.47	144.06	125.69	114.66	98.49	89.16	80.82
Dentists' Services	60.46	53.31	47.65	43.08	37.88	34.15	30.52	26.49
Other Professional Services	20.83	18.29	16.13	14.60	12.04	10.34	9.22	8.49
Drugs and Medical Sundries	75.43	68.91	63.26	58.28	54.33	51.17	46.97	44.01
Eyeglasses and Appliances	19.34	17.68	15.79	14.68	13.72	12.55	11.59	10.43
Nursing Home Care	79.13	67.69	57.94	51.93	46.47	39.72	33.73	30.41
Other Health Services	23.02	20.56	18.12	17.62	16.98	14.32	12.57	12.23
Prepayment and Administration	34.31	32.28	38.49	21.58	19.05	23.96	25.10	22.66
Government Public Health Activities	26.87	23.68	19.52	17.38	14.52	12.66	10.44	9.45
Research and Construction of Medical Facilities	43.91	42.71	41.07	41.26	38.16	34.20	31.57	30.65
Research <sup>2</sup>	20.51	19.38	17.23	16.57	14.90	12.53	11.40	10.67
Construction	23.40	23.33	23.84	24.69	23.26	21.67	20.17	19.97
	Percentage Distribution							
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Health Services and Supplies	95.3	94.9	94.7	93.9	93.7	93.7	93.4	93.0
Personal Health Care	88.9	88.3	87.1	88.2	88.2	86.9	86.1	85.7
Hospital Care	40.2	40.2	39.9	40.2	39.5	38.5	37.5	37.4
Physicians' Services	19.1	19.0	18.8	18.5	18.9	18.3	18.5	18.4
Dentists' Services	6.4	6.3	6.2	6.3	6.2	6.3	6.3	6.0
Other Professional Services	2.2	2.2	2.1	2.2	2.0	1.9	1.9	1.9
Drugs and Medical Sundries	8.0	8.2	8.2	8.6	8.9	9.5	9.8	10.0
Eyeglasses and Appliances	2.1	2.1	2.1	2.2	2.3	2.3	2.4	2.4
Nursing Home Care	8.4	8.0	7.5	7.7	7.6	7.4	7.0	6.9
Other Health Services	2.4	2.4	2.4	2.6	2.8	2.7	2.6	2.8
Prepayment and Administration	3.6	3.8	5.0	3.2	3.1	4.4	5.2	5.1
Government Public Health Activities	2.9	2.8	2.5	2.6	2.4	2.3	2.2	2.1
Research and Construction of Medical Facilities	4.7	5.1	5.3	6.1	6.3	6.3	6.6	7.0
Research <sup>2</sup>	2.2	2.3	2.2	2.4	2.5	2.3	2.4	2.4
Construction	2.5	2.8	3.1	3.6	3.8	4.0	4.2	4.5

<sup>1</sup>Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas, and their dependents.

<sup>2</sup>Research and development expenditures of drug companies and other manufacturers and providers of medical equipment and supplies are excluded from "research expenditures," but included in the expenditure class in which the product falls.

(continued)

**TABLE 3 (Cont'd)**  
**National Health Expenditures by Type of Expenditure, Amount, Per Capita Amount, and Percentage Distribution, Selected Years, 1929-1979.**

Type of Expenditure	Year						
	1971	1970	1965	1960	1950	1940	1929
	Amount (in millions)						
Total	\$83,112	\$74,903	\$41,994	\$26,895	\$12,662	\$3,987	\$3,649
Health Services and Supplies	77,065	69,583	38,551	25,185	11,702	3,868	3,436
Personal Health Care	71,979	65,372	36,000	23,680	10,885	3,548	3,202
Hospital Care	30,769	27,799	13,885	9,092	3,851	1,011	663
Physicians' Services	15,918	14,340	8,473	5,684	2,747	973	1,004
Dentists' Services	5,068	4,750	2,809	1,977	961	419	482
Other Professional Services	1,628	1,595	1,033	862	396	174	252
Drugs and Medical Sundries	8,668	8,208	5,212	3,657	1,726	637	606
Eyeglasses and Appliances	1,970	1,926	1,211	776	491	189	133
Nursing Home Care	5,635	4,697	2,072	526	187	33	—
Other Health Services	2,323	2,058	1,306	1,106	526	112	62
Prepayment and Administration	3,321	2,791	1,736	1,091	456	167	139
Government Public Health Activities	1,764	1,420	814	414	361	153	96
Research and Construction of Medical Facilities	6,047	5,320	3,443	1,710	960	119	213
Research <sup>2</sup>	2,040	1,889	1,446	662	117	3	—
Construction	4,007	3,431	1,997	1,048	843	116	213
	Per Capita Amount <sup>1</sup>						
Total	\$394.74	\$359.41	\$212.32	\$146.30	\$81.86	\$29.62	\$29.49
Health Services and Supplies	366.02	333.89	194.91	137.00	75.66	28.74	27.77
Personal Health Care	341.87	313.68	182.02	128.81	70.37	26.36	25.88
Hospital Care	146.14	133.39	70.20	49.46	24.90	7.51	5.36
Physicians' Services	75.60	68.81	42.84	30.92	17.76	7.23	8.11
Dentists' Services	24.07	22.79	14.20	10.75	6.21	3.11	3.90
Other Professional Services	7.73	7.65	5.22	4.69	2.56	1.29	2.04
Drugs and Medical Sundries	41.17	39.39	26.35	19.89	11.16	4.73	4.90
Eyeglasses and Appliances	9.36	9.24	6.12	4.22	3.17	1.40	1.07
Nursing Home Care	26.76	22.54	10.48	2.86	1.21	.25	—
Other Health Services	11.03	9.87	6.60	6.02	3.40	.83	.50
Prepayment and Administration	15.77	13.39	8.78	5.93	2.95	1.24	1.12
Government Public Health Activities	8.38	6.81	4.11	2.25	2.33	1.14	.78
Research and Construction of Medical Facilities	28.72	25.53	17.41	9.30	6.21	.88	1.72
Research <sup>2</sup>	9.69	9.06	7.31	3.60	.76	.02	—
Construction	19.03	16.46	10.10	5.70	5.45	.86	1.72
	Percentage Distribution						
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Health Services and Supplies	92.7	92.9	91.8	93.6	92.4	97.0	94.2
Personal Health Care	86.6	87.3	85.7	88.0	86.0	89.0	87.8
Hospital Care	37.0	37.1	33.1	33.8	30.4	25.4	18.2
Physicians' Services	19.2	19.1	20.2	21.1	21.7	24.4	27.5
Dentists' Services	6.1	6.3	6.7	7.4	7.6	10.5	13.2
Other Professional Services	2.0	2.1	2.5	3.2	3.1	4.4	6.9
Drugs and Medical Sundries	10.4	11.0	12.4	13.6	13.6	16.0	16.6
Eyeglasses and Appliances	2.4	2.6	2.9	2.9	3.9	4.7	3.6
Nursing Home Care	6.8	6.3	4.9	2.0	1.5	.8	—
Other Health Services	2.8	2.7	3.1	4.1	4.2	2.8	1.7
Prepayment and Administration	4.0	3.7	4.1	4.1	3.6	4.2	3.8
Government Public Health Activities	2.1	1.9	1.9	1.5	2.9	3.8	2.6
Research and Construction of Medical Facilities	7.3	7.1	8.2	6.4	7.6	3.0	5.8
Research <sup>2</sup>	2.5	2.5	3.4	2.5	.9	.1	—
Construction	4.8	4.6	4.8	3.9	6.7	2.9	5.8

<sup>1</sup>Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas, and their dependents.

<sup>2</sup>Research and development expenditures of drug companies and other manufacturers and providers of medical equipment and supplies are excluded from "research expenditures," but included in the expenditure class in which the product falls.

**TABLE 4**  
**Personal Health Care Expenditures<sup>1</sup> by Third Parties; Amount, Per Capita Amount and Percentage Distribution, Selected Years, 1929-1979.**

Year	All Third-Parties							
	Total	Direct Payments	Private			Public		
			Total	Insurance	Other	Total	Federal	State and Local
Amount (in millions)								
1929	\$3,202	<sup>2</sup> \$2,829	\$373	—	\$84	\$289	\$87	\$202
1935	2,663	<sup>2</sup> 2,195	468	—	74	392	91	301
1940	3,548	<sup>2</sup> 2,886	662	—	94	570	145	425
1950	10,885	7,133	3,752	\$992	320	2,440	1,136	1,304
1955	15,708	9,132	6,576	2,536	432	3,608	1,646	1,962
1960	23,680	12,990	10,690	4,996	537	5,157	2,199	2,958
1965	36,000	18,584	17,416	8,729	788	7,899	3,785	4,114
1966	39,853	19,746	20,107	9,142	813	10,153	5,291	4,862
1967	44,890	19,355	25,535	9,545	815	15,175	9,571	5,603
1968	50,766	20,766	30,000	11,344	862	17,794	11,452	6,342
1969	57,276	23,159	34,117	13,069	901	20,147	13,212	6,934
1970	65,372	26,128	39,244	15,744	1,040	22,460	14,561	7,899
1971	71,979	27,479	44,500	17,714	1,205	25,582	16,804	8,778
1972	80,177	30,674	49,502	19,433	1,266	28,804	18,968	9,836
1973	88,688	33,410	55,278	21,911	1,291	32,076	21,125	10,951
1974	101,007	35,233	65,774	25,751	1,468	38,555	25,866	12,689
1975	116,522	37,725	78,797	31,077	1,539	46,182	31,531	14,650
1976	131,276	41,554	89,722	36,528	1,743	51,450	36,281	15,170
1977	147,968	48,855	99,113	38,819	2,157	58,138	41,083	17,055
1978	166,627	53,057	113,570	44,969	2,196	66,405	46,718	19,687
1979	188,551	59,973	128,578	50,286	2,407	75,884	53,311	22,573
Per Capita Amount <sup>3</sup>								
1929	\$25.88	\$22.86	\$3.01	—	\$ .68	\$2.34	\$ .70	\$1.63
1935	20.55	16.94	3.61	—	.57	3.02	.70	2.32
1940	26.36	21.44	4.92	—	.70	4.24	1.08	3.16
1950	70.37	46.12	24.26	\$6.42	2.07	15.78	7.34	8.43
1955	93.29	54.23	39.05	15.06	2.57	21.43	9.78	11.65
1960	128.81	70.66	58.15	27.18	2.92	28.05	11.96	16.09
1965	182.02	93.96	88.06	44.13	3.98	39.94	19.14	20.80
1966	199.21	98.70	100.51	45.70	4.06	50.75	26.45	24.30
1967	221.96	95.70	126.26	47.19	4.03	75.03	47.33	27.71
1968	248.52	101.66	146.86	55.53	4.22	87.11	56.06	31.05
1969	277.66	112.27	165.39	63.35	4.37	97.67	64.05	33.62
1970	313.68	125.37	188.31	75.54	4.99	107.77	69.87	37.90
1971	341.87	130.51	211.36	84.13	5.72	121.50	79.81	41.69
1972	377.59	144.46	233.13	91.52	5.96	135.65	89.33	46.32
1973	414.54	156.16	258.38	102.42	6.03	149.93	98.74	51.19
1974	468.28	163.35	304.94	119.39	6.81	178.75	119.92	58.83
1975	535.85	173.49	362.37	142.91	7.08	212.38	145.00	67.37
1976	598.57	189.47	409.09	166.55	7.95	234.59	165.43	69.17
1977	669.22	220.96	448.27	175.57	9.75	262.94	185.81	77.13
1978	746.85	237.81	509.04	201.56	9.84	297.64	209.40	88.24
1979	837.85	266.50	571.35	223.45	10.70	337.20	236.90	100.31

<sup>1</sup>Includes all expenses for health services and supplies other than (a) prepayment and administration (b) government public health activities.

<sup>2</sup>Includes prepayment expense as well as benefit payments.

<sup>3</sup>Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas and their dependents.

(continued)

**TABLE 4 (Cont'd)**  
**Personal Health Care Expenditures<sup>1</sup> by Third Parties; Amount, Per Capita Amount and Percentage Distribution, Selected Years, 1929-1979.**

Year	All Third-Parties							
	Total	Direct Payments	Private			Public		State and Local
			Total	Insurance	Other	Total	Federal	
Percentage Distribution								
1929	100.0%	88.4%	11.6%	—	2.6%	9.0%	2.7%	6.3%
1935	100.0	82.4	17.6	—	2.8	14.7	3.4	11.3
1940	100.0	81.3	18.7	—	2.6	16.1	4.1	12.0
1950	100.0	65.5	34.5	9.1	2.9	22.4	10.4	12.0
1955	100.0	58.1	41.9	16.1	2.8	23.0	10.5	12.5
1960	100.0	54.9	45.1	21.1	2.3	21.8	9.3	12.5
1965	100.0	51.6	48.4	24.2	2.2	21.9	10.5	11.4
1966	100.0	49.5	50.5	22.9	2.0	25.5	13.3	12.2
1967	100.0	43.1	56.9	21.3	1.8	33.8	21.3	12.5
1968	100.0	40.9	59.1	22.3	1.7	35.1	22.6	12.5
1969	100.0	40.4	59.6	22.8	1.6	35.2	23.1	12.1
1970	100.0	40.0	60.0	24.1	1.6	34.4	22.3	12.1
1971	100.0	38.2	61.8	24.6	1.7	35.5	23.3	12.2
1972	100.0	38.3	61.7	24.2	1.6	35.9	23.7	12.3
1973	100.0	37.7	62.3	24.7	1.5	36.2	23.8	12.3
1974	100.0	34.9	65.1	25.5	1.5	38.2	25.6	12.6
1975	100.0	32.4	67.6	26.7	1.3	39.6	27.1	12.6
1976	100.0	31.7	68.3	27.8	1.3	39.2	27.6	11.6
1977	100.0	33.0	67.0	26.2	1.5	39.3	27.8	11.5
1978	100.0	31.8	68.2	27.0	1.3	39.9	28.0	11.8
1979	100.0	31.8	68.2	26.7	1.3	40.2	28.3	12.0

<sup>1</sup>Includes all expenses for health services and supplies other than (a) prepayment and administration (b) government public health activities.

<sup>2</sup>Includes prepayment expense as well as benefit payments.

<sup>3</sup>Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas and their dependents.

**TABLE 5**  
**Selected Types of Personal Health Care Expenditures, by Source of Funds, Amounts, Per Capita Amounts, and Percentage Distribution, 1950-1979**

Year	All Third-Parties					
	Total	Direct Payments	Private			Public
			Total	Insurance	Other	
Hospital Care						
Amount (in millions)						
1950	\$3,851	\$1,152	\$2,699	\$680	\$135	\$1,884
1955	5,900	1,318	4,582	1,679	175	2,728
1960	9,092	1,804	7,288	3,304	230	3,754
1965	13,885	2,374	11,510	5,790	309	5,412
1966	15,662	2,457	13,205	5,993	307	6,905
1967	18,251	1,821	16,430	6,133	277	10,019
1968	21,019	1,887	19,132	7,322	292	11,518
1969	24,018	2,386	21,631	8,356	295	12,980
1970	27,799	2,816	24,983	10,008	384	14,591
1971	30,769	2,614	28,155	11,263	450	16,441
1972	34,974	3,722	31,252	12,199	479	18,574
1973	38,673	4,212	34,461	13,458	473	20,530
1974	44,769	4,255	40,514	15,437	580	24,497
1975	52,141	3,978	48,164	18,766	542	28,855
1976	59,808	4,609	55,198	21,883	629	32,687
1977	67,721	6,865	60,856	22,903	936	37,018
1978	75,842	6,348	69,494	26,704	866	41,925
1979	85,342	6,905	78,437	29,803	942	47,692

(continued)

**TABLE 5 (Cont'd)**  
**Selected Types of Personal Health Care Expenditures, by Source of Funds, Amounts, Per Capita Amounts, and Percentage Distribution, 1950-1979**

Year	Total	Direct Payments	All Third-Parties			Public
			Total	Private Insurance	Other	
<b>Hospital Care</b>						
Per Capita Amount <sup>1</sup>						
1950	\$24.90	\$7.45	\$17.45	\$4.40	\$0.87	\$12.18
1955	35.04	7.83	27.21	9.97	1.04	16.20
1960	49.46	9.81	39.65	17.97	1.25	20.42
1965	70.20	12.00	58.20	29.27	1.56	27.36
1966	78.29	12.28	66.01	29.96	1.53	34.52
1967	90.24	9.01	81.24	30.33	1.37	49.54
1968	102.90	9.24	93.66	35.84	1.43	56.39
1969	116.43	11.57	104.86	40.51	1.43	62.93
1970	133.39	13.51	119.88	48.02	1.84	70.01
1971	146.14	12.42	133.72	53.49	2.14	78.09
1972	164.71	17.53	147.18	57.45	2.26	87.47
1973	180.77	19.69	161.08	62.91	2.21	95.96
1974	207.55	19.73	187.83	71.57	2.69	113.57
1975	239.78	18.29	221.49	86.30	2.49	132.70
1976	272.70	21.02	251.68	99.78	2.87	149.04
1977	306.29	31.05	275.24	103.58	4.23	167.42
1978	339.94	28.45	311.48	119.69	3.88	187.91
1979	379.23	30.68	348.54	132.43	4.18	211.93
<b>Hospital Care</b>						
Percentage Distribution						
1950	100.0%	29.9%	70.1%	17.7%	3.5%	48.9%
1955	100.0	22.3	77.7	28.5	3.0	46.2
1960	100.0	19.8	80.2	36.3	2.5	41.3
1965	100.0	17.1	82.9	41.7	2.2	39.0
1966	100.0	15.7	84.3	38.3	2.0	44.1
1967	100.0	10.0	90.0	33.6	1.5	54.9
1968	100.0	9.0	91.0	34.8	1.4	54.8
1969	100.0	9.9	90.1	34.8	1.2	54.0
1970	100.0	10.1	89.9	36.0	1.4	52.5
1971	100.0	8.5	91.5	36.6	1.5	53.4
1972	100.0	10.6	89.4	34.9	1.4	53.1
1973	100.0	10.9	89.1	34.8	1.2	53.1
1974	100.0	9.5	90.5	34.5	1.3	54.7
1975	100.0	7.6	92.4	36.0	1.0	55.3
1976	100.0	7.7	92.3	36.6	1.1	54.7
1977	100.0	10.1	89.9	33.8	1.4	54.7
1978	100.0	8.4	91.6	35.2	1.1	55.3
1979	100.0	8.1	91.9	34.9	1.1	55.9

<sup>1</sup>Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas, and their dependents.

<sup>2</sup>Includes dentists' services, other professional services, drugs and medical sundries, eyeglasses and appliances, nursing home care, and other health care services.

<sup>3</sup>Included in direct payments: data not available separately.

(continued)

**TABLE 5 (Cont'd)**  
**Selected Types of Personal Health Care Expenditures, by Source of Funds, Amounts, Per Capita Amounts, and Percentage Distribution, 1950-1979**

Year	Total	Direct Payments	All Third-Parties			Public
			Total	Private	Other	
			Insurance			
Physicians' Services						
Amount (in millions)						
1950	\$2,747	\$2,285	\$462	\$312	\$7	\$143
1955	3,689	2,576	1,113	857	8	248
1960	5,684	3,716	1,968	1,593	9	366
1965	8,473	5,197	3,276	2,680	8	588
1966	9,175	5,492	3,683	2,831	9	843
1967	10,142	5,133	5,009	2,964	9	2,036
1968	11,104	5,127	5,977	3,489	10	2,478
1969	12,648	5,785	6,863	4,029	10	2,824
1970	14,340	6,328	8,012	4,908	10	3,093
1971	15,918	7,008	8,910	5,440	11	3,458
1972	17,162	7,155	10,006	6,056	12	3,938
1973	19,075	7,702	11,373	6,934	14	4,425
1974	21,245	7,644	13,600	8,245	12	5,343
1975	24,932	8,682	16,250	9,684	14	6,552
1976	27,565	9,353	18,212	11,195	15	7,002
1977	31,852	11,867	19,985	11,904	19	8,062
1978	35,802	12,903	22,899	13,578	21	9,300
1979	40,599	14,813	25,786	15,138	24	10,624
Physicians' Services						
Per Capita Amount <sup>1</sup>						
1950	\$17.76	\$14.77	\$2.99	\$2.02	\$.05	\$.92
1955	21.91	15.30	6.61	5.09	.05	1.47
1960	30.92	20.21	10.71	8.67	.05	1.99
1965	42.84	26.28	16.56	13.55	.04	2.97
1966	45.86	27.45	18.41	14.15	.04	4.21
1967	50.15	25.38	24.77	14.66	.05	10.07
1968	54.36	25.10	29.26	17.08	.05	12.13
1969	61.31	28.04	33.27	19.53	.05	13.69
1970	68.81	30.37	38.44	23.55	.05	14.84
1971	75.60	33.28	42.32	25.84	.05	16.43
1972	80.82	33.70	47.12	28.52	.06	18.54
1973	89.16	36.00	53.16	32.41	.06	20.68
1974	98.49	35.44	63.05	38.23	.06	24.77
1975	114.66	39.93	74.73	44.53	.06	30.13
1976	125.69	42.65	83.04	51.05	.07	31.93
1977	144.06	53.67	90.39	53.84	.09	36.46
1978	160.47	57.83	102.64	60.86	.09	41.69
1979	180.41	65.82	114.59	67.27	.11	47.21

<sup>1</sup>Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas, and their dependents.

<sup>2</sup>Includes dentists' services, other professional services, drugs and medical sundries, eyeglasses and appliances, nursing home care, and other health care services.

<sup>3</sup>Included in direct payments: data not available separately.

(continued)

TABLE 5 (Cont'd)

## Selected Types of Personal Health Care Expenditures, by Source of Funds, Amounts, Per Capita Amounts, and Percentage Distribution, 1950-1979

Year	Total	Direct Payments	All Third-Parties			Public
			Total	Insurance	Other	
Physicians' Services						
Percentage Distribution						
1950	100.0%	83.2%	16.8%	11.4%	.3%	5.2%
1955	100.0	69.8	30.2	23.2	.2	6.7
1960	100.0	65.4	34.6	28.0	.2	6.4
1965	100.0	61.3	38.7	31.6	.1	6.9
1966	100.0	59.9	40.1	30.9	.1	9.2
1967	100.0	50.6	49.4	29.2	.1	20.1
1968	100.0	46.2	53.8	31.4	.1	22.3
1969	100.0	45.7	54.3	31.9	.1	22.3
1970	100.0	44.1	55.9	34.2	.1	21.6
1971	100.0	44.0	56.0	34.2	.1	21.7
1972	100.0	41.7	58.3	35.3	.1	22.9
1973	100.0	40.4	59.6	36.4	.1	23.2
1974	100.0	36.0	64.0	38.8	.1	25.1
1975	100.0	34.8	65.2	38.8	.1	26.3
1976	100.0	33.9	66.1	40.6	.1	25.4
1977	100.0	37.3	62.7	37.4	.1	25.3
1978	100.0	36.0	64.0	37.9	.1	26.0
1979	100.0	36.5	63.5	37.3	.1	26.2
Other Personal Health Care						
Amount (in millions)						
1950	\$4,287	\$3,695	\$591	<sup>3</sup>	\$178	\$413
1955	6,119	5,238	881	<sup>3</sup>	249	632
1960	8,904	7,470	1,434	\$99	298	1,037
1965	13,643	11,013	2,630	259	471	1,900
1966	15,016	11,797	3,219	318	497	2,405
1967	16,497	12,401	4,096	447	529	3,120
1968	18,643	13,752	4,891	533	560	3,798
1969	20,610	14,988	5,622	683	597	4,342
1970	23,233	16,984	6,249	828	646	4,776
1971	25,293	17,857	7,435	1,011	743	5,682
1972	28,041	19,797	8,244	1,177	775	6,292
1973	30,940	21,495	9,444	1,519	803	7,122
1974	34,994	23,334	11,660	2,069	875	8,716
1975	39,449	25,065	14,383	2,627	982	10,774
1976	43,903	27,592	16,312	3,450	1,100	11,762
1977	48,395	30,123	18,271	4,012	1,202	13,058
1978	54,983	33,806	21,177	4,687	1,310	15,180
1979	62,610	38,255	24,354	5,345	1,441	17,568

<sup>1</sup>Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas, and their dependents.

<sup>2</sup>Includes dentists' services, other professional services, drugs and medical sundries, eyeglasses and appliances, nursing home care, and other health care services.

<sup>3</sup>Included in direct payments: data not available separately.

(continued)

**TABLE 5 (Cont'd)**  
**Selected Types of Personal Health Care Expenditures, by Source of Funds, Amounts, Per Capita Amounts, and Percentage Distribution, 1950-1979**

Year	Total	Direct Payments	All Third-Parties			Public
			Total	Private Insurance	Other	
Other Personal Health Care <sup>2</sup>		Per Capita Amount <sup>1</sup>				
1950	\$27.72	\$23.90	\$3.82	<sup>3</sup>	\$1.15	\$2.67
1955	36.34	31.11	5.23	<sup>3</sup>	1.48	3.75
1960	48.44	40.64	7.80	\$ .54	1.62	5.64
1965	68.98	55.68	13.30	1.31	2.38	9.60
1966	75.06	58.97	16.09	1.59	2.49	12.02
1967	81.57	61.32	20.25	2.21	2.62	15.43
1968	91.27	67.32	23.94	2.61	2.74	18.59
1969	99.91	72.66	27.26	3.31	2.89	21.05
1970	111.48	81.49	29.99	3.97	3.10	22.92
1971	120.13	84.81	35.32	4.80	3.53	26.99
1972	132.06	93.23	38.83	5.54	3.65	29.63
1973	144.62	100.47	44.14	7.10	3.76	33.29
1974	162.24	108.18	54.06	9.59	4.06	40.41
1975	181.41	115.27	66.14	12.08	4.52	49.55
1976	200.18	125.81	74.37	15.73	5.01	53.63
1977	218.88	136.24	82.64	18.15	5.43	59.06
1978	246.44	151.52	94.92	21.01	5.87	68.04
1979	278.21	169.99	108.22	23.75	6.41	78.07
Other Personal Health Care <sup>2</sup>		Percentage Distribution				
1950	100.0%	86.2%	13.8%	<sup>3</sup>	4.2%	9.6%
1955	100.0	85.6	14.4	<sup>3</sup>	4.1	10.3
1960	100.0	83.9	16.1	1.1%	3.3	11.6
1965	100.0	80.7	19.3	1.9	3.5	13.9
1966	100.0	78.6	21.4	2.1	3.3	16.0
1967	100.0	75.2	24.8	2.7	3.2	18.9
1968	100.0	73.8	26.2	2.9	3.0	20.4
1969	100.0	72.7	27.3	3.3	2.9	21.1
1970	100.0	73.1	26.9	3.6	2.8	20.6
1971	100.0	70.6	29.4	4.0	2.9	22.5
1972	100.0	70.6	29.4	4.2	2.8	22.4
1973	100.0	69.5	30.5	4.9	2.6	23.0
1974	100.0	66.7	33.3	5.9	2.5	24.9
1975	100.0	63.5	36.5	6.7	2.5	27.3
1976	100.0	62.8	37.2	7.9	2.5	26.8
1977	100.0	62.2	37.8	8.3	2.5	27.0
1978	100.0	61.5	38.5	8.5	2.4	27.6
1979	100.0	61.1	38.9	8.5	2.3	28.1

<sup>1</sup>Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas, and their dependents.

<sup>2</sup>Includes dentists' services, other professional services, drugs and medical sundries, eyeglasses and appliances, nursing home care, and other health care services.

<sup>3</sup>Included in direct payments: data not available separately.

**TABLE 6**  
**Personal Health Care Expenditures by Selected Third-Party Payers and Type of Expenditure, Amount, Per Capita Amount, and Percentage Distribution, 1979**

Source of Payment	Total	Hospital Care	Physicians Services	Dentists Services	Other Professional Services	Drugs and Medical Sundries	Eye-glasses and Appliances	Nursing Home Care	Other Health Services
Total	188,551	85,342	40,599	13,607	4,687	16,975	4,353	17,807	5,180
Direct Payments	59,973	6,905	14,813	9,938	2,832	14,216	3,789	7,481	—
Third-Party Payments	128,578	78,437	25,786	3,669	1,855	2,760	564	10,326	5,180
Private Health Insurance	50,286	29,803	15,138	3,130	604	1,339	155	117	—
Philanthropy and Industrial In-Plant	2,407	942	24	—	52	—	—	107	1,283
Government	75,884	47,692	10,624	539	1,200	1,420	409	10,102	3,897
Federal	53,311	34,886	7,999	298	848	705	332	5,461	2,783
Medicare <sup>1</sup>	29,328	21,651	6,407	—	552	—	249	373	97
Medicaid <sup>2</sup>	11,770	4,347	1,203	243	249	665	—	4,775	287
Other	12,213	8,888	389	54	47	39	82	313	2,399
State and Local	22,573	12,806	2,625	241	352	716	77	4,642	1,114
Medicaid <sup>2</sup>	9,913	3,662	1,015	205	210	560	—	4,021	241
Other	12,660	9,144	1,611	36	143	155	77	621	874
Per Capita Amount <sup>3</sup>									
Total	837.85	379.23	180.41	60.46	20.83	75.43	19.34	79.13	23.02
Direct Payments	266.50	30.68	65.82	44.16	12.58	63.17	16.84	33.24	—
Third-Party Payments	571.35	348.54	114.59	16.30	8.25	12.26	2.51	45.89	23.02
Private Health Insurance	223.45	132.43	67.27	13.91	2.68	5.95	.69	.52	—
Philanthropy and Industrial In-Plant	10.70	4.18	.11	—	.23	—	—	.48	5.70
Government	337.20	211.93	47.21	2.39	5.33	6.31	1.82	44.89	17.32
Federal	236.90	155.02	35.55	1.32	3.77	3.13	1.47	24.27	12.37
Medicare <sup>1</sup>	130.32	96.21	28.47	—	2.45	—	1.11	1.66	.43
Medicaid <sup>2</sup>	52.30	19.32	5.35	1.08	1.11	2.96	—	21.22	1.28
Other	54.27	39.50	1.73	.24	.21	.18	.37	1.39	10.66
State and Local	100.31	56.90	11.66	1.07	1.57	3.18	.34	20.63	4.95
Medicaid <sup>2</sup>	44.05	16.27	4.51	.91	.93	2.49	—	17.87	1.07
Other	56.26	40.63	7.16	.16	.63	.69	.34	2.76	3.88
Percentage Distribution									
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Direct Payments	31.8	8.1	36.5	73.0	60.4	83.7	87.0	42.0	—
Third-Party Payments	68.2	91.9	63.5	27.0	39.6	16.3	13.0	58.0	100.0
Private Health Insurance	26.7	34.9	37.3	23.0	12.9	7.9	3.6	.7	—
Philanthropy and Industrial In-Plant	1.3	1.1	.1	—	1.1	—	—	.6	24.8
Government	40.2	55.9	26.2	4.0	25.6	8.4	9.4	56.7	75.2
Federal	28.3	40.9	19.7	2.2	18.1	4.2	7.6	30.7	53.7
Medicare <sup>1</sup>	15.6	25.4	15.8	—	11.8	—	5.7	2.1	1.9
Medicaid <sup>2</sup>	6.2	5.1	3.0	1.8	5.3	3.9	—	26.8	5.5
Other	6.5	10.4	1.0	.4	1.0	.2	1.9	1.8	46.3
State and Local	12.0	15.0	6.5	1.8	7.5	4.2	1.8	26.1	21.5
Medicaid <sup>2</sup>	5.3	4.3	2.5	1.5	4.5	3.3	—	22.6	4.6
Other	6.7	10.7	4.0	.3	3.0	.9	1.8	3.5	16.9

<sup>1</sup>Represents total expenditures from trust funds for benefits. Trust fund income includes premium payments paid by or on behalf of beneficiaries.

<sup>2</sup>Includes funds paid into Medicare trust funds by States under "buy-in" agreements to cover premiums for public assistance recipients and for persons who are medically indigent.

<sup>3</sup>Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas, and their dependents.

(continued)

**TABLE 6 (Cont'd)**  
**Personal Health Care Expenditures by Selected Third-Party Payers and Type of Expenditure, Amount, Per Capita Amount, and Percentage Distribution, 1975**

Source of Payment	Total	Hospital Care	Physicians Services	Dentists Services	Other Professional Services	Drugs and Medical Sundries	Eye-glasses and Appliances	Nursing Home Care	Other Health Services
	Amount (in millions)								
Total	116,522	52,141	24,932	8,237	2,619	11,813	2,982	10,105	3,692
Direct Payments	37,725	3,978	8,682	6,412	1,596	10,048	2,725	4,284	—
Third-Party Payments	78,797	48,164	16,250	1,825	1,022	1,766	257	5,821	3,692
Private Health Insurance	31,077	18,766	9,684	1,358	420	738	32	78	—
Philanthropy and Industrial In-Plant	1,539	542	14	—	29	—	—	61	892
Government	46,182	28,855	6,552	467	573	1,027	226	5,681	2,800
Federal	31,531	20,253	4,865	275	375	527	174	3,186	2,076
Medicare <sup>1</sup>	15,588	11,603	3,338	—	199	—	114	291	43
Medicaid <sup>2</sup>	7,431	2,842	1,048	205	139	498	—	2,720	179
Other	8,512	6,009	278	70	37	30	61	174	1,854
State and Local	14,650	8,602	1,887	192	198	500	51	2,496	723
Medicaid <sup>2</sup>	5,873	2,087	828	162	110	393	—	2,150	141
Other	8,778	6,515	1,059	30	88	107	51	346	582
	Per Capita Amount <sup>3</sup>								
Total	\$535.85	\$239.78	\$114.66	\$37.88	\$12.04	\$54.33	\$13.72	\$46.47	\$16.98
Direct Payments	173.49	18.29	39.93	29.49	7.34	46.21	12.53	19.70	—
Third-Party Payments	362.37	221.49	74.73	8.39	4.70	8.12	1.18	26.77	16.98
Private Health Insurance	142.91	86.30	44.53	6.24	1.93	3.40	.15	.36	—
Philanthropy and Industrial In-Plant	7.08	2.49	.06	—	.13	—	—	.28	4.10
Government	212.38	132.70	30.13	2.15	2.64	4.72	1.04	28.13	12.87
Federal	145.00	93.14	21.45	1.26	1.72	2.42	.80	14.65	9.55
Medicare <sup>1</sup>	71.69	53.36	15.35	—	.91	—	.52	1.34	.20
Medicaid <sup>2</sup>	34.17	12.15	4.82	.94	.64	2.29	—	12.51	.82
Other	39.15	27.63	1.28	.32	.17	.14	.28	.80	8.53
State and Local	67.37	39.56	8.68	.88	.91	2.30	.23	11.48	3.33
Medicaid <sup>2</sup>	27.01	9.60	3.81	.75	.51	1.81	—	9.89	.65
Other	40.37	29.96	4.87	.14	.41	.49	.23	1.59	2.68
	Percentage Distribution								
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Direct Payments	32.4	7.6	34.8	77.8	61.0	85.1	91.4	42.4	—
Third-Party Payments	67.6	92.4	65.2	22.2	39.0	14.9	8.6	57.6	100.0
Private Health Insurance	26.7	36.0	38.8	16.5	16.0	6.3	1.1	.8	—
Philanthropy and Industrial In-Plant	1.3	1.0	.1	—	1.1	—	—	.6	24.2
Government	39.6	55.3	26.3	5.7	21.9	8.7	7.6	56.2	75.8
Federal	27.1	38.8	18.7	3.3	14.3	4.5	5.8	31.5	56.2
Medicare <sup>1</sup>	13.4	22.3	13.4	—	7.6	—	3.8	2.9	1.2
Medicaid <sup>2</sup>	6.4	5.1	4.2	2.5	5.3	4.2	—	26.9	4.8
Other	7.3	11.5	1.1	.8	1.4	.3	2.0	1.7	50.2
State and Local	12.6	16.5	7.6	2.3	7.6	4.2	1.7	24.7	19.6
Medicaid <sup>2</sup>	5.0	4.0	3.3	2.0	4.2	3.3	—	21.3	3.8
Other	7.5	12.5	4.2	.4	3.4	.9	1.7	3.4	15.8

<sup>1</sup>Represents total expenditures from trust funds for benefits. Trust fund income includes premium payments paid by or on behalf of beneficiaries.

<sup>2</sup>Includes funds paid into Medicare trust funds by States under "buy-in" agreements to cover premiums for public assistance recipients and for persons who are medically indigent.

<sup>3</sup>Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas, and their dependents.

(continued)

**TABLE 6 (Cont'd)**  
**Personal Health Care Expenditures by Selected Third-Party Payers and Type of Expenditure, Amount, Per Capita Amount, and Percentage Distribution, 1970**

Source of Payment	Total	Hospital Care	Physicians Services	Dentists Services	Other Professional Services	Drugs and Medical Sundries	Eye-glasses and Appliances	Nursing Home Care	Other Health Services
Amount (in millions)									
Total	65,372	27,799	14,340	4,750	1,595	8,208	1,926	4,697	2,058
Direct Payments	26,128	2,816	6,328	4,286	1,094	7,414	1,815	2,375	—
Third-Party Payments	39,244	24,983	8,012	463	500	794	111	2,322	2,058
Private Health Insurance	15,744	10,008	4,908	240	262	310	3	12	—
Philanthropy and Industrial In-Plant	1,040	384	10	—	20	—	—	34	592
Government	22,460	14,591	3,093	223	218	484	108	2,276	1,466
Federal	14,561	9,428	2,232	130	138	239	79	1,339	976
Medicare <sup>1</sup>	7,098	4,978	1,720	—	77	—	46	259	18
Medicaid <sup>2</sup>	2,795	1,225	380	91	41	226	—	779	53
Other	4,669	3,226	133	39	20	13	33	301	905
State and Local	7,899	5,163	861	93	80	245	29	938	490
Medicaid <sup>2</sup>	2,310	1,012	314	75	34	187	—	644	44
Other	5,589	4,151	547	18	46	59	29	294	445
Per Capita Amount <sup>3</sup>									
Total	313.68	133.39	68.81	22.79	7.65	39.39	9.24	22.54	9.87
Direct Payments	125.37	13.51	30.37	20.57	5.25	35.57	8.71	11.39	—
Third-Party Payments	188.31	119.88	38.44	2.22	2.40	3.81	.53	11.14	9.87
Private Health Insurance	75.54	48.02	23.55	1.15	1.26	1.49	.01	.06	—
Philanthropy and Industrial In-Plant	4.99	1.84	.05	—	.10	—	—	.16	2.84
Government	107.77	70.01	14.84	1.07	1.05	2.32	.52	10.92	7.03
Federal	69.87	45.24	10.71	.62	.66	1.15	.38	6.42	4.69
Medicare <sup>1</sup>	34.06	23.89	8.25	—	.37	—	.22	1.24	.08
Medicaid <sup>2</sup>	13.41	5.88	1.82	.44	.20	1.08	—	3.74	.26
Other	22.40	15.48	.64	.19	.09	.06	.16	1.44	4.34
State and Local	37.90	24.77	4.13	.45	.39	1.18	.14	4.50	2.35
Medicaid <sup>2</sup>	11.08	4.86	1.51	.36	.16	.90	—	3.09	.21
Other	26.82	19.92	2.63	.08	.22	.28	.14	1.41	2.14
Percentage Distribution									
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Direct Payments	40.0	10.1	44.1	90.2	68.6	90.3	94.2	50.6	—
Third-Party Payments	60.0	89.9	55.9	9.8	31.4	9.7	5.8	49.4	100.0
Private Health Insurance	24.1	36.0	34.2	5.1	16.5	3.8	.1	.3	—
Philanthropy and Industrial In-Plant	1.6	1.4	.1	—	1.3	—	—	.7	28.8
Government	34.4	52.5	21.6	4.7	13.7	5.9	5.6	48.5	71.2
Federal	22.3	33.9	15.6	2.7	8.6	2.9	4.1	28.5	47.4
Medicare <sup>1</sup>	10.9	17.9	12.0	—	4.8	—	2.4	5.5	.9
Medicaid <sup>2</sup>	4.3	4.4	2.6	1.9	2.6	2.8	—	16.6	2.6
Other	7.1	11.6	.9	.8	1.2	.2	1.7	6.4	44.0
State and Local	12.1	18.6	6.0	2.0	5.0	3.0	1.5	20.0	23.8
Medicaid <sup>2</sup>	3.5	3.6	2.2	1.6	2.1	2.3	—	13.7	2.1
Other	8.5	14.9	3.8	.4	2.9	.7	1.5	6.3	21.6

<sup>1</sup>Represents total expenditures from trust funds for benefits. Trust fund income includes premium payments paid by or on behalf of beneficiaries.

<sup>2</sup>Includes funds paid into Medicare trust funds by States under "buy-in" agreements to cover premiums for public assistance recipients and for persons who are medically indigent.

<sup>3</sup>Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas, and their dependents.

(continued)

**TABLE 6 (Cont'd)**  
**Personal Health Care Expenditures by Selected Third-Party Payers and Type of Expenditure, Amount, Per Capita Amount, and Percentage Distribution, 1965**

Source of Payment	Total	Hospital Care	Physicians Services	Dentists Services	Other Professional Services	Drugs and Medical Sundries	Eye-glasses and Appliances	Nursing Home Care	Other Health Services
	Amount (in millions)								
Total	\$36,000	\$13,885	\$8,473	\$2,809	\$1,033	\$5,212	\$1,211	\$2,072	\$1,306
Direct Payments	18,584	2,374	5,197	2,717	897	4,881	1,181	1,337	—
Third-Party Payments	17,416	11,510	3,276	92	136	331	30	735	1,306
Private Health Insurance	8,729	5,790	2,680	43	79	135	1	2	—
Philanthropy and Industrial In-Plant	788	309	8	—	18	—	—	21	431
Government	7,899	5,412	588	49	39	197	29	712	875
Federal	3,785	2,430	151	32	12	120	12	460	588
Medicare <sup>1</sup>	—	—	—	—	—	—	—	—	—
Medicaid <sup>2</sup>	—	—	—	—	—	—	—	—	—
Other	3,785	2,430	151	32	12	120	12	460	588
State and Local	4,114	2,982	436	17	26	76	17	251	308
Medicaid <sup>2</sup>	—	—	—	—	—	—	—	—	—
Other	4,114	2,982	436	17	26	76	17	251	308
	Per Capita Amount <sup>3</sup>								
Total	\$182.02	\$70.20	\$42.84	\$14.20	\$5.22	26.35	6.12	10.48	6.60
Direct Payments	93.96	12.00	26.28	13.74	4.54	24.68	5.97	6.76	—
Third-Party Payments	88.06	58.20	16.56	.46	.69	1.67	.15	3.72	6.60
Private Health Insurance	44.13	29.27	13.55	.22	.40	.68	.01	.01	—
Philanthropy and Industrial In-Plant	3.98	1.56	.04	—	.09	—	—	.11	2.18
Government	39.94	27.36	2.97	.25	.20	.99	.15	3.60	4.43
Federal	19.14	12.28	.76	.16	.06	.61	.06	2.33	2.87
Medicare <sup>1</sup>	—	—	—	—	—	—	—	—	—
Medicaid <sup>2</sup>	—	—	—	—	—	—	—	—	—
Other	19.14	12.28	.76	.16	.06	.61	.06	2.33	2.87
State and Local	20.80	15.08	2.21	.08	.13	.39	.08	1.27	1.55
Medicaid <sup>2</sup>	—	—	—	—	—	—	—	—	—
Other	20.80	15.08	2.21	.08	.13	.39	.08	1.27	1.55
	Percentage Distribution								
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Direct Payments	51.6	17.1	61.3	96.7	86.9	93.6	97.5	64.5	—
Third-Party Payments	48.4	82.9	38.7	3.3	13.1	6.4	2.5	35.5	100.0
Private Health Insurance	24.2	41.7	31.6	1.5	7.6	2.6	.1	.1	—
Philanthropy and Industrial In-Plant	2.2	2.2	.1	—	1.8	—	—	1.0	33.0
Government	21.9	39.0	6.9	1.7	3.7	3.8	2.4	34.3	67.0
Federal	10.5	17.5	1.8	1.1	1.2	2.3	1.0	22.2	43.5
Medicare <sup>1</sup>	—	—	—	—	—	—	—	—	—
Medicaid <sup>2</sup>	—	—	—	—	—	—	—	—	—
Other	10.5	17.5	1.8	1.1	1.2	2.3	1.0	22.2	43.5
State and Local	11.4	21.5	5.1	.6	2.5	1.5	1.4	12.1	23.5
Medicaid <sup>2</sup>	—	—	—	—	—	—	—	—	—
Other	11.4	21.5	5.1	.6	2.5	1.5	1.4	12.1	23.5

<sup>1</sup>Represents total expenditures from trust funds for benefits. Trust fund income includes premium payments paid by or on behalf of beneficiaries.

<sup>2</sup>Includes funds paid into Medicare trust funds by States under "buy-in" agreements to cover premiums for public assistance recipients and for persons who are medically indigent.

<sup>3</sup>Based on July 1 population estimates including outlying territories, armed forces and Federal employees overseas, and their dependents.

**TABLE 7**  
**Expenditures for Health Services and Supplies Under Public Programs by Program, Type of Expenditure, and Source of Funds (in millions)**

1979

Program Area	Health Services and Supplies											
	Total	Personal Health Care										Government Public Health Ac- tivities
		Total	Hospital Care	Physi- cians' Services	Den- tists' Services	Other Profes- sional Services	Drugs and Medical Sundries	Eye- glasses and Ap- pliances	Nursing Home Care	Other Health Service	Admin- istration	
All Public Programs	85,237	75,884	47,692	10,624	539	1,200	1,420	409	10,102	3,897	3,306	6,047
Total Federal Expenditures	56,439	53,311	34,886	7,999	298	848	705	332	5,461	2,783	1,787	1,341
Total State and Local Expenditures	28,798	22,573	12,806	2,625	241	352	716	77	4,642	1,114	1,519	4,706
Major Program Areas:												
Medicare <sup>1</sup>	30,338	29,328	21,651	6,407	—	552	—	249	373	97	1,010	—
Medicaid <sup>2</sup>	22,796	21,683	8,009	2,217	448	459	1,226	—	8,796	528	1,113	—
Federal Expenditures	12,464	11,770	4,347	1,203	243	249	665	—	4,775	287	694	—
State and Local Expenditures	10,332	9,913	3,662	1,015	205	210	560	—	4,021	241	419	—
Other Public Assistance Payments for Medical Care	1,530	1,530	565	157	32	32	86	—	621	37	—	—
Federal Expenditures	—	—	—	—	—	—	—	—	—	—	—	—
State and Local Expenditures	1,530	1,530	565	157	32	32	86	—	621	37	—	—
Veterans' Medical Care	5,355	5,305	4,444	61	36	—	13	48	313	391	50	—
Department of Defense Medical Care <sup>3</sup>	4,023	4,000	2,837	107	2	—	11	—	—	1,043	23	—
Workers Compensation	4,442	3,342	1,696	1,411	—	103	66	66	—	—	1,100	—
Federal Employees	108	108	71	27	—	6	2	2	—	—	—	—
State and Local Programs	4,333	3,233	1,625	1,384	—	96	64	64	—	—	1,100	—
State and Local Hospitals (net) <sup>4</sup>	6,828	6,828	6,828	—	—	—	—	—	—	—	—	—
Other Public Expenditures for Personal Health Care <sup>5</sup>	3,879	3,869	1,662	265	22	55	18	46	—	1,801	10	—
Federal	2,810	2,800	1,536	195	17	40	14	33	—	965	10	—
State and Local	1,069	1,069	125	70	5	14	5	13	—	836	—	—
Government Public Health Activities	6,047	—	—	—	—	—	—	—	—	—	—	6,047
Federal	1,341	—	—	—	—	—	—	—	—	—	—	1,341
State and Local	4,706	—	—	—	—	—	—	—	—	—	—	4,706

<sup>1</sup>Represents total expenditures from trust funds for benefits and administrative costs. Trust fund income includes premium payments paid by or on behalf of beneficiaries.

<sup>2</sup>Includes funds paid into Medicare trust funds by States under "buy-in" agreements to cover premiums for public assistance recipients and for persons who are medically indigent.

<sup>3</sup>Includes care for retirees and military dependents. Payments for services other than hospital care and other health services represent only those made under contract medical programs.

<sup>4</sup>Expenditures for State and local government hospitals not offset by other revenues.

<sup>5</sup>Includes program spending for Maternal and Child Health; Vocational Rehabilitation medical payments; Temporary Disability Insurance medical payments; PHS and other Federal hospitals; Indian Health Services; Alcoholism, Drug Abuse, and Mental Health; and school health.

(continued)

**TABLE 7 (Cont'd)**  
**Expenditures for Health Services and Supplies Under Public Programs by Program, Type of Expenditure, and Source of Funds (in millions)**

1975

Program Area	Health Services and Supplies											
	Total	Personal Health Care										Government Public Health Ac- tivities
		Total	Hospital Care	Physi- cians' Services	Den- tists' Services	Other Profes- sional Services	Drugs and Medical Sundries	Eye- glasses and Ap- pliances	Nursing Home Care	Other Health Service	Admin- istration	
All Public Programs	51,346	46,182	28,855	6,552	467	573	1,027	226	5,681	2,800	2,007	3,157
Total Federal Expenditures	33,915	31,531	20,253	4,665	275	375	527	174	3,186	2,076	1,163	1,221
Total State and Local Expenditures	17,431	14,650	8,602	1,887	192	198	500	51	2,496	723	845	1,936
Major Program Areas:												
Medicare <sup>1</sup>	16,316	15,588	11,603	3,338	—	199	—	114	291	43	728	—
Medicaid <sup>2</sup>	13,921	13,303	4,729	1,876	367	249	891	—	4,870	320	618	—
Federal Expenditures	7,798	7,431	2,642	1,048	205	139	498	—	2,720	179	367	—
State and Local Expenditures	6,124	5,873	2,087	828	162	110	393	—	2,150	141	251	—
Other Public Assistance Payments for Medical Care	945	945	336	133	26	18	63	—	346	23	—	—
Federal Expenditures	—	—	—	—	—	—	—	—	—	—	—	—
State and Local Expenditures	945	945	336	133	26	18	63	—	346	23	—	—
Veterans' Medical Care	3,495	3,459	2,894	38	54	—	9	31	174	258	37	—
Department of Defense Medical Care <sup>3</sup>	3,071	3,049	2,199	76	3	—	8	—	763	23	—	—
Workers Compensation	2,639	2,046	1,017	884	—	63	41	41	—	—	594	—
Federal Employees	59	59	38	15	—	4	1	1	—	—	—	—
State and Local Programs	2,580	1,986	979	868	—	60	40	40	—	—	594	—
State and Local Hospitals (net) <sup>4</sup>	5,090	5,090	5,090	—	—	—	—	—	—	—	—	—
Other Public Expenditures for Personal Health Care <sup>5</sup>	2,711	2,703	988	207	17	45	15	40	—	1,392	8	—
Federal	1,954	1,946	878	150	13	33	11	29	—	833	8	—
State and Local	757	757	111	57	4	11	4	11	—	559	—	—
Government Public Health Activities	3,157	—	—	—	—	—	—	—	—	—	—	3,157
Federal	1,221	—	—	—	—	—	—	—	—	—	—	1,221
State and Local	1,936	—	—	—	—	—	—	—	—	—	—	1,936

<sup>1</sup>Represents total expenditures from trust funds for benefits and administrative costs. Trust fund income includes premium payments paid by or on behalf of beneficiaries.

<sup>2</sup>Includes funds paid into Medicare trust funds by States under "buy-in" agreements to cover premiums for public assistance recipients and for persons who are medically indigent.

<sup>3</sup>Includes care for retirees and military dependents. Payments for services other than hospital care and other health services represent only those made under contract medical programs.

<sup>4</sup>Expenditures for State and local government hospitals not offset by other revenues.

<sup>5</sup>Includes program spending for Maternal and Child Health; Vocational Rehabilitation medical payments; Temporary Disability Insurance medical payments; PHS and other Federal hospitals; Indian Health Services; Alcoholism, Drug Abuse, and Mental Health; and school health.

(continued)

**TABLE 7 (Cont'd)**  
**Expenditures for Health Services and Supplies Under Public Programs by Program, Type of Expenditure, and Source of Funds (in millions)**

1970

Program Area	Health Services and Supplies											
	Total	Personal Health Care										Government Public Health Activities
		Total	Hospital Care	Physi- cians' Services	Den- tists' Services	Other Profes- sional Services	Drugs and Medical Sundries	Eye- glasses and Ap- pliances	Nursing Home Care	Other Health Service	Admin- istration	
All Public Programs	25,049	22,460	14,591	3,093	223	218	484	108	2,276	1,466	1,168	1,420
Total Federal Expenditures	15,745	14,561	9,428	2,232	130	138	239	79	1,339	976	568	615
Total State and Local Expenditures	9,304	7,899	5,163	861	93	80	245	29	938	490	600	805
Major Program Areas:												
Medicare <sup>1</sup>	7,495	7,098	4,978	1,720	—	77	—	46	259	18	398	—
Medicaid <sup>2</sup>	5,355	5,105	2,237	693	167	75	412	—	1,422	98	250	—
Federal Expenditures	2,931	2,795	1,225	380	91	41	226	—	779	53	136	—
State and Local Expenditures	2,324	2,310	1,012	314	75	34	187	—	644	44	114	—
Other Public Assistance Payments for Medical Care	850	850	190	59	14	6	35	—	537	8	—	—
Federal Expenditures	243	243	—	—	—	—	—	—	243	—	—	—
State and Local Expenditures	607	607	190	59	14	6	35	—	294	8	—	—
Veterans' Medical Care	1,764	1,745	1,516	12	26	—	3	14	58	116	19	—
Department of Defense Medical Care <sup>3</sup>	1,887	1,875	1,334	25	7	—	3	—	—	506	12	—
Workers Compensation	1,537	1,051	525	453	—	32	21	21	—	—	486	—
Federal Employees	23	23	15	6	—	1	—	—	—	—	—	—
State and Local Programs	1,514	1,028	509	448	—	30	20	20	—	—	486	—
State and Local Hospitals (net) <sup>4</sup>	3,351	3,351	3,351	—	—	—	—	—	—	—	—	—
Other Public Expenditures for Personal Health Care <sup>5</sup>	1,389	1,385	460	131	10	28	10	28	—	720	4	—
Federal	786	783	360	90	6	18	6	19	—	283	4	—
State and Local	603	603	100	41	3	9	3	9	—	437	—	—
Government Public Health Activities <sup>6</sup>	1,420	—	—	—	—	—	—	—	—	—	—	1,420
Federal	615	—	—	—	—	—	—	—	—	—	—	615
State and Local	805	—	—	—	—	—	—	—	—	—	—	805

<sup>1</sup>Represents total expenditures from trust funds for benefits and administrative costs. Trust fund income includes premium payments paid by or on behalf of beneficiaries.

<sup>2</sup>Includes funds paid into Medicare trust funds by States under "buy-in" agreements to cover premiums for public assistance recipients and for persons who are medically indigent.

<sup>3</sup>Includes care for retirees and military dependents. Payments for services other than hospital care and other health services represent only those made under contract medical programs.

<sup>4</sup>Expenditures for State and local government hospitals not offset by other revenues.

<sup>5</sup>Includes program spending for Maternal and Child Health; Vocational Rehabilitation medical payments; Temporary Disability Insurance medical payments; PHS and other Federal hospitals; Indian Health Services; Alcoholism, Drug Abuse, and Mental Health; and school health.

(continued)

**TABLE 7 (Cont'd)**  
**Expenditures for Health Services and Supplies Under Public Programs by Program, Type of Expenditure, and Source of Funds (in millions)**

1965

Program Area	Health Services and Supplies											
	Total	Personal Health Care										Government Public Health Activities
		Total	Hospital Care	Physicians' Services	Dentists' Services	Other Professional Services	Drugs and Medical Sundries	Eye-glasses and Appliances	Nursing Home Care	Other Health Service	Administration	
All Public Programs	8,999	7,899	5,412	588	49	39	197	29	712	875	286	814
Total Federal Expenditures	4,144	3,785	2,430	151	32	12	120	12	460	568	14	344
Total State and Local Expenditures	4,854	4,114	2,982	436	17	26	76	17	251	308	271	469
Major Program Areas:												
Medicare <sup>1</sup>	—	—	—	—	—	—	—	—	—	—	—	—
Medicaid <sup>2</sup>	—	—	—	—	—	—	—	—	—	—	—	—
Federal Expenditures	—	—	—	—	—	—	—	—	—	—	—	—
State and Local Expenditures	—	—	—	—	—	—	—	—	—	—	—	—
Other Public Assistance Payments for Medical Care	2,112	2,112	895	174	44	13	177	—	705	103	—	—
Federal Expenditures	1,359	1,359	576	112	29	8	114	—	454	66	—	—
State and Local Expenditures	753	753	319	62	16	5	63	—	251	37	—	—
Veterans' Medical Care	1,145	1,133	1,061	10	1	—	3	7	6	44	12	—
Department of Defense Medical Care <sup>3</sup>	1,013	1,012	634	5	—	—	—	—	—	372	1	—
Workers Compensation	880	609	213	353	—	18	12	12	—	—	271	—
Federal Employees	11	11	7	3	—	1	—	—	—	—	—	—
State and Local Programs	869	598	206	350	—	17	12	12	—	—	271	—
State and Local Hospitals (net) <sup>4</sup>	2,389	2,389	2,389	—	—	—	—	—	—	—	—	—
Other Public Expenditures for Personal Health Care <sup>5</sup>	645	644	219	45	3	8	4	10	—	356	1	—
Federal	272	271	151	21	2	3	3	5	—	85	1	—
State and Local	374	374	68	24	1	4	1	5	—	271	—	—
Government Public Health Activities	814	—	—	—	—	—	—	—	—	—	—	814
Federal	344	—	—	—	—	—	—	—	—	—	—	344
State and Local	469	—	—	—	—	—	—	—	—	—	—	469

<sup>1</sup>Represents total expenditures from trust funds for benefits and administrative costs. Trust fund income includes premium payments paid by or on behalf of beneficiaries.

<sup>2</sup>Includes funds paid into Medicare trust funds by States under "buy-in" agreements to cover premiums for public assistance recipients and for persons who are medically indigent.

<sup>3</sup>Includes care for retirees and military dependents. Payments for services other than hospital care and other health services represent only those made under contract medical programs.

<sup>4</sup>Expenditures for State and local government hospitals not offset by other revenues.

<sup>5</sup>Includes program spending for Maternal and Child Health; Vocational Rehabilitation medical payments; Temporary Disability Insurance medical payments; PHS and other Federal hospitals; Indian Health Services; Alcoholism, Drug Abuse, and Mental Health; and school health.

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